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BY SAPAJOU

Exactly What He Wanted

"A Paradox, a Paradox!"

Prince Konnoye's latest statement on Sino-Japanese relations will doubtless have been read with much interest. In effect it amounts to very little and is one of the most paradoxical utterances which have been made during the China Incident. Declaring that Japan respects the sovereignty of China, and is prepared to give positive consideration to the questions of the abolition of extraterritoriality, and the rendition of the Concessions and Settlements—"matters which are necessary for the full independence of China,"—he insists in the same breath that China must agree to the stationing of Japanese troops on China's soil the recognition of Manchoukuo and adherence to the Anti-Comintern Pact. What form of sovereign independence is to be found by a country under the military occupation of a foreign state it is more than a little difficult to realize. To call it "full independence" is to betray the meanings of words, and it must be obvious that a nation dominated by a number of puppet governments, whether it be one or many, instituted by military invaders can have no independence whatsoever. Abolition of extraterritoriality would be just as meaningless in China as it is in Manchoukuo so far as the Japanese are concerned, while the tender regard of Prince Konnoye for China's territorial integrity, with regard to the Settlements and Concessions looks very much like the lachrymal excretions of the crocodile. It is not to be believed for one moment that these soft words will in any way prevail upon Generalissimo Chiang Kai-shek to falter in his determination to carry on with his bitter resistance. The past few months have clearly demonstrated that he has lost nothing of the determined support which is being given him by the Chinese people. Prince Konnoye's allegation that there was no intention to exercise economic monopoly in China nor to demand that China should limit the interests of third Powers is obviously qualified by the phrase "who will grasp the meaning of a new East Asia and will be willing to act accordingly." That means discrimination against those nations which still refuse to bow down in the house of Rimmon.

Japanese Budget

The figures which have been published in the Japanese press relative to the latest Budget are interesting, not only because of the fact that at about Yen 10,000,000,000 it is the largest Budget the Japanese Government has had to meet, but also because of the deductions which can be made showing what the hostilities in China are costing the country. The general budget total has been fixed at Yen 3,694,000,000 so that it may be concluded that the conduct of the war in China will it is estimated cost something over Yen 6,000,000,000 for the year. Various estimates have been made as to how much the Japanese venture into China is costing her, and the sum of Yen 10,000,000 has been freely accepted as representing the daily outlay. It is clear that that figure has been a very decided underestimate and that a sum of Yen 16,000,000 more nearly represents what Japan is spending in China each day. It is believed that the total amount of bond issues required during the next twelve months will be in the neighbourhood of Yen 7,000,000,000. According to the "Chugai Shogyo" the finance department of the Japanese Government contemplates the increase of revenue from taxation by Yen 200,000,000 though this will not, apparently, be sufficient to meet the interest charges on the new issues, and it is possible that sooner or later a radical reform in the system of taxation will be necessary to bring in the needed amount. As it is, it is believed that there will be substantial increases in the commodity tax on a list of 55 articles such as neckties, hats, precious metal goods, etc., which at present is already bringing in Yen 55,000,000, while in some quarters it is believed that new taxes will be imposed upon tea, coffee, cocoa and other drinks, upon kimono and obi costing more than Yen 20, and increase in the tax on saké. It is reported by the same journal that new taxes may be imposed upon town gas, and electric light charges exceeding a certain limit and that the authorities contemplate an increase in the temporary profits tax in addition to two new imposts in the nature of a residence tax and levy upon luxury cuisine. It is clear from the size of the totals quoted that serious inroads have not yet been made into Japan's financial resources, for, if she continues to fight in China for another year, she will have spent something in the neighbourhood of Yen 15,000,000,000 since the outbreak of the "incident." When it is remembered that Japanese statesmen have claimed the ability of their country to fight a war costing as much as Yen 50,000,000,000 it is apparent that Japan has still plenty of resources available.

China's Back Door

Whatever political considerations are attached to the British credits to China, much of which are expected to be devoted to developing communications between Burma and Yunnan, the economic importance and timeliness of the work to be undertaken cannot be ignored. If under the impetus of hostilities China has been compelled to open the "back door" it is one of the few material advantages accruing from war. The Burma-Yunnan highway, now completed, and the parallel railway at present in the survey stage, are historic plans long delayed. China long viewed with askance proposals to penetrate the Yangtze Valley from the west. Up to the Boxer rebellion, Burma made decennial tribute to the Imperial Court at Peking and as early as 1897 the British Government proposed a loan to China for the construction of a railway from Burma to the Yangtze. Prior to this proposal the ordinary route to Yunnan was via Canton although the construction of the French railway from Haiphong established this as the most important of all the routes. Several British parties explored possible routes, one of these parties under Mr. A. R. Margary being massacred by the Chinese in the district and causing estrangement between Britain and China. As far as can be ascertained, the projected railway will follow the general lines of the old plan while the highway connects old roads which have been improved and links the difficult gap across the mountainous border, the major portion being constructed on the Chinese side over a distance of about 500 miles from Yunnan to Muse. On both sides the advantage is tremendous and will be more so if the railway is constructed. To Burma, whose mineral and agricultural resources are being developed, this main highway constitutes one of the most important construction works in years. The Irrawaddy, its great river, is navigable as far as Bhamo, 900 miles from the sea and its tributary, the Chindwin, for about 300 miles. There are about 10,000 miles of roads, most of which are unmetalled, and 2,000 miles of railways, but the Burma-Yunnan highway provides a magnificent stretch of 800 miles of metalled road from Lashio, the railhead on the branch line from Mandalay, to Yunnan, or Kunming, the provincial capital of Yunnan. It is impossible to estimate on present information the volume of traffic the road is able to carry because this depends on the type of motor truck used and the strength of the road but an estimate of 100 trucks of 30 cwt. each daily has been mentioned. Taking the journey time of eight days it means a minimum of 1,600 trucks both ways which should represent a useful traffic load.

Mr. Chamberlain's Speech

Mr. Neville Chamberlain's speech in defence of his foreign policy, in the House of Commons on Dec. 19, is as remarkable for its magnanimity as it is for its courage. He answered his critics with very apparent strength, and there should now be no misunderstanding as to what he proposes to do next. That he still believes in the possibility of general appeasement is amply demonstrated; that he will continue to work for its success he has again emphasized. His reference to Anglo-German relations is of particular importance, as recognizing one outstanding fact which has been seized upon by his critics as a sign of the failure of the Munich Pact. It has been many times remarked since the signing of that document that Germany has done nothing to implement it. It is not sufficient to agree upon the desire for peace; it is eminently desirable that all should work for it, and up to the present Germany has made no contribution, or even officially indicated any wish to do so. The general impression formed is that Germany is waiting to see what further concessions can be secured from Britain in the interests of peace, and Mr. Chamberlain has made it clear that there is very little more to be forthcoming. He is waiting for a sign from those who speak for the German people that they do in fact share his desire for peace, and that they are prepared to make their contribution towards that end. His warning that it would be a tragic blunder for the world to mistake British love for peace and their faculty for compromise for weakness is important. If war is forced upon Great Britain she may be depended upon to accept the challenge with all the enormous strength which she has at her command. That the speech has had a favourable reception in Berlin and Rome may be taken as one of the more hopeful signs, but a great deal more will be necessary before there will be brought about that change of sentiment without which the peace of the world must always remain unstable. How that change is to be brought about still remains to be seen, though it is perfectly plain that it will not be secured merely by concession to demands which, however justified they may be, by reason of the injustices wrought in the past, cannot now be corrected by retracing steps already taken.

Increased Subscription Rates

An advertisement on the front page announces an increase in the annual subscription to the "North-China Daily News" becoming effective from January 1, 1939. About ten years ago, when exchange was in the neighbourhood of 2/- to the dollar, the annual subscription was reduced from $28 to $24 per annum, and has remained at the figure ever since. In 1939 the subscription will revert to $28 per annum. This change has been made necessary by the immensely increased cost of producing a newspaper during the past year. By far the greater part of expenditure is in gold: paper, ink, machinery and cable news services are all on a gold basis. Income on the other hand is almost entirely in local currency. The increase is, therefore, a moderate one and by no means compensates for the loss on exchange. The charge of ten cents per copy for newspapers purchased in the streets and at stores remains the same on weekdays, but on Sundays the charge will be twenty cents. Subscriptions run for three months or any longer period and ensure early delivery of the paper to the subscriber's home direct from the publishing office. Buying the paper in the streets or at bookstores costs in the aggregate $41.40 per annum as against $28 per annum if subscribed for direct to the "North-China Daily News" office. Delivery is made early every morning from Hungjao in the west to the Point in the east, and in spite of the hostilities there are comparatively few places in the interior of China where the paper does not find its way with fair regularity.

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CHINESE POLITICS

Tokyo Treaty-Breaking

Chungking Spokesman States China's View; Britain Warned of Threat to Interests

Chungking, Dec. 21.

JAPAN has no ground for raising any objection to British and American loans to China, declared a Foreign Office spokesman today in commenting on the statement made on Monday by Mr. Hachiro Arita, Japanese Foreign Minister, to foreign correspondents.

"Even if the American and British loans were intended as political gestures against Japan, as Mr. Arita thought they were," added the spokesman, "such gestures were justified and represent the minimum action open to the Powers in view of Japan's treaty-breaking activities and destruction of foreign interests in China."

After pointing out that the Japanese proposal for a tripartite bloc of Japan, Manchoukuo and China, or a "new order" in East Asia, is aimed at the establishment of Japan's hegemony in East Asia, the spokesman declared that such a proposal is in direct conflict with foreign rights and interests in Far East.

"A treaty cannot be considered inapplicable," said the spokesman, "simply because of the violations by one of its signatories."—Reuter.

British Interests Endangered

London, Dec. 21.

Public attention has been so closely concentrated during the last year on events in Europe that it is doubtful whether the effect on British interests in China of the Japanese attack against China has been sufficiently realized, declares Mr. J. W. Nicholson, Chairman of the China section of the London Chamber of Commerce, in a letter published in "The Times" today.

After stating that nearly half the goods leaving or entering China are carried on British ships, as well as 45 per cent. of the China coastal trade, and that £300,000,000 of British capital are invested in China, Mr. Nicholson adds:

"British interests in China are worthy of a great deal more public attention than they have yet received.

"Apart from those actually engaged in China trade, it seems generally assumed that Great Britain is merely suffering interference, which is to be expected by neutral countries during hostilities.

"It is the conviction of those engaged is China trade that the ultimate Japanese aim is to eliminate all western influence and enterprise in the Far East."

Giving the details of the instances of Japanese interference with British interests, Mr. Nicholson concludes:

"Protests alone are shown to be unavailing unless Great Britain and other powers are prepared to see China become a closed market.

"The time has come when a more vigorous policy should be pursued."—Reuter.

Presidential Action Possible

London, Dec. 21.

The Washington correspondent of "The Times" says today that the formal promise, made by Mr. Hachiro Arita, Japanese Foreign Minister, of "vast fields of commercial and economic activity," that are, ultimately, to open to other Powers in China, is by no means a convincing rejoinder to the United States' charges of discrimination against American trade.

The Government, continues the correspondent, has no intention of accepting a policy of the fait accompli. The granting of credits to China may be only the first step in a policy capable of development, but it remains for President Roosevelt's message to Congress to throw light on this.

Every scrap of evidence, the correspondent points out, tends to show that President Roosevelt will devote a good deal of this communication to relations of the United States with the outer world, and that he is devoting much time to a study of the various matters involved.

The position of China and Japan is only one of these matters, "The Times" correspondent adds. He says that there are powers vested in the President, under existing legislation, which permit him to place an embargo on imports from countries which flagrantly discriminate against American trade.

It is not likely, the correspondent concludes, that the President will be dissuaded from using them by a promise of "vast fields of activity" at an undetermined date.—Reuter.

Powers Said Discriminating

Tokyo, Dec. 21.

Charging America and Britain with purposely ignoring their own discriminatory measures against Japan, the "Tokyo Asahi," leading vernacular daily, today editorially declared that the outcry among Western Powers against Japanese plans for a new order in East Asia was "unwarranted."

"When Britain is consolidating her Empire into a bloc, and when America is attempting to carry out a similar policy in the Western hemisphere, is it not inevitable that East Asia should, as the Foreign Minister, Mr. Arita, justly remarked, seek to create a bloc that will not only be strong but self-sufficient", the "Asahi" declared recalling the statement made on Monday by Mr. Hachiro Arita.

"Of the Powers that try to avail themselves of every opportunity at their disposal to protest and complain against the establishment of a new order in East Asia, not a few close their eyes to the true conditions in Japan, whose natural resources are meager in relation to her population, while her home market cannot consume all her manufactured goods.

Reality Not Faced

"By thus, conveniently to themselves, pretending not to face reality, they close the door to Japanese immigration and set-up discriminatory trade barriers against Japanese goods, which are not only cheap, but good. Moreover, those Powers are seeking to keep China in a semi-colonial status so that she may remain the eternal objective of their exploitation," the journal declared.

A new economic system in East Asia, the "Asahi" said, would result not in a reduction of the economic activities of the Powers, but will bear the opposite result. Manchoukuo, it pointed out, has bought more British goods than when it was governed by Marshal Chang Hsueh-liang.

The complaints of the Powers, freely and frequently made during the present campaign in China, the "Asahi" warned, would not serve the cause of peace either in Asia or in the world.—Domei.

Credits to China Not Effective

Tokyo, Dec. 23.

British and American loans to the Gen. Chiang Kai-shek régime will have no effect on the final outcome of the hostilities, according to the daily "Hochi Shimbun," which recalled that loans of the two Powers to the Allies during the World War failed to bring Germany to terms.

The journal pointed out that the United States lent $11,300,000,000 to the allied Powers and that Britain gave them £1,900,000,000, but the Allies won the war only when the United States entered on their side.

The American and British loans to China were not new ones, the daily stated, but on the contrary were old transactions "which only came to the surface recently."

Loans granted by Britain and America will only add to their bad debts, the "Hochi" said, "especially since a unified central government of China to be organized about April of next year will be formally recognized by Japan, Germany, Italy, and other countries."—Domei.

China Credits to Buy 1,000 Trucks

New York, Dec. 23.

Discussing dealings arising from the credits granted to China, last week, by the Export-Import Bank of Washington, the "New York Times" today says that 1,000 2½-ton lorries will be purchased from the General Motors and Chrysler Corporations for shipment to the Chinese Government. The amount involved is, approximately, $1,000,000.—Reuter.

BESIDES having decided to exempt a number of Chinese export goods from export duties beginning from January 1, 1939, says a Chungking message to the "Hwa Mei Chen Pao," the Ministry of Finance has decided to exempt 11 out of 24 items of products intended for export from obtaining foreign exchange allotments. These include tung oil, bristles, hide, leatherware, tea, mineral products, a limited variety of Chinese medicinal herbs, wool, silk, hemp, casings, and feathers. This ruling will become effective as from January 1, 1939.

Appeals for Peace Danger to China

Washington, Dec. 22.

China's greatest danger today is the appeal her Occidental friends are expected to make for her to accept peace, which Japan desires, according to a statement issued here today by the China Information Service, an unofficial American organization.

The statement said that there was only one thing which at present could defeat China—"persistent persuasion on the part of the great western Governments, notably Great Britain and the United States."

The statement contended that after the loss of Hankow China could lose little which Japan would dare attempt to take. On the contrary, Japan would welcome peace because she has been embroiled beyond her expectations.

It was suggested that Great Britain would probably attempt to induce China to accept peace in accordance with the British policy of "peace at any price." The statement also recorded the opinion that the Administration in the United States, with its general desire for peace everywhere and its policy of moral admonition without responsibility, would be likely to support Great Britain in such a move.

"All peace lovers, especially the churches, will speed to add their persuasions, preferring any peace to a continuance of the conflict. China, if she hesitates, will then be placed in the position of blocking a peace which all the world desires....Such a peace would be the worst possible outcome for China, for ultimate peace and for world justice."—United Press.

Mr. Wang Ching-wei on Mystery Mission

Chungking, Dec. 23.

Mr. Wang Ching-wei, chairman of the Central Political Council and deputy executive of the Kuomintang, arrived in Kunming by air from Chungking on Monday. It is learned that since then Mr. Wang has left Kunming for "an unknown destination."

Considerable speculation has been aroused as to Mr. Wang's actual whereabouts and the nature of his journey, but no official information is available.—Reuter.

Arrives in Hanoi

Hongkong, Dec. 23

Mr. Wang Ching-wei, Chairman of the Central Executive Council of the National Government, was tonight reliably reported to be in Hanoi, having flown there from Kunming.

Informed circles in Hongkong stated that Mr. Wang was expected to come to Hongkong in the near future, but this could not be confirmed.—United Press.

To See Doctor

Hongkong, Dec. 24.

Mr. Wang Ching-wei, chairman of the Central Political Council and deputy executive of the Kuomintang, is visiting Hanoi for a consultation with his "favourite physician," the official Chinese Central News Agency here announced today in a dispatch from Kunming.

The Chinese statesman, according to the report, flew from Chungking to Kunming on December 18 to keep an engagement with Gen. Lung Yun, chairman of the Yunnan Provincial Government. The long hours in the air, according to Central News, indisposed Mr. Wang, leading to fears that his chronic disease may again break out. The disease was not specified.

At the insistence of some of his friends, the dispatch went on, Mr. Wang flew to Hanoi to be examined by this physician.

As soon as he recovers, Mr. Wang will return to Chungking, the report added.—Domei.

Kwangsi Prepares to Meet Invasion

Chungking, Dec. 22.

Preparations are being rushed in Kwangsi province to meet a possible Japanese invasion, according to Chinese reports received here today.

As a part of these preparation, the reports continue, Kwangsi province is now divided into twelve guerilla warfare districts, while all people living in the vicinity of the highways, railways and waterways are now ordered to evacuate to areas away from communication lines. They are ordered to take food supplies with them and to destroy and burn what cannot be taken.

All students, of both sexes, over eighteen years old, the reports add, have been organized into student corps and assigned to different guerilla warfare districts for political work with the army.—Reuter.

China Confident Of Victory

London, Dec. 23.

"China approaches the New Year with confidence based not only on the impregnable position of the National Government, and our Leader, and on the valour of the Chinese people, but also by virtue of increased international readiness to help China."

This statement was made to Reuter yesterday by Mr. Quo Tai-chi, the Chinese Ambassador in London.

The reasons for supporting China, declared Mr. Quo, were becoming daily more formidable, through Japanese depredations of British interests.

The United States, for granting China credit, and borrowing facilities, had underlined the spirit of financial co-operation, saying that "this may well be only the beginning."

"I am gratified," Mr. Quo went on, "by many indications, and even definite steps, that Great Britain, with still more vital interests at stake than those of the United States, is now fully aroused to the menacing realities.

"Japan has over-reached herself so conspicuously that even the most hesitant British business men realize that only by a Chinese triumph can legitimate British interests survive in the Far East.

"Now, at the Christmas season, every Chinese feels heartened and happier by this development, added to constant British benefactions for Chinese sufferers in devastated areas.

"I am confident," Mr. Quo concluded, "that the New Year will mark a turn of the tide in China's favour."—Reuter.

Officials Must Eschew "Fast Life"

Chungking, Dec. 22.

General Chiang Kai-shek is determined to put an end to "fast life" among Government officials not at the front. Mr. Hsu Chung-chi, Chief of Police in Chungking, officially announced today that, "in accordance with instructions received from the Generalissimo, any Government, Kuomintang or military official, regardless of rank, if found indulging in gambling, dancing, visiting brothels or of other unbecoming conduct, will be arrested and severely punished."

The Generalissimo, the announcement continues, forbids dancing and declares that anyone guilty of unbecoming conduct will be executed.

"If a wife is found dancing," the announcement adds, "her husband will be held responsible, and if an official is found guilty of unbecoming conduct, the Minister of his Ministry will be held responsible."—Reuter.

Kwangtung Government Reorganized

Chungking, Dec. 21.

The Chinese Government has ordered a complete reorganization of the Kwangtung Provincial Government and is appointing General Li Han-hwen as the new Governor of Kwangtung, replacing Gen. Wu Teh-chen.

General Li Han-hwen commanded Cantonese divisions in the fighting last summer in the vicinity of Kiukiang and Kuling. He is appointed, concurrently, Commissioner of Civil Affairs of Kwangtung.

Other new appointments are as follow: Mr. Ku Lin-chun — Finance Commissioner, (replacing Mr. T. L. Soong); Mr. Wang Ying-yu—Reconstruction Commissioner (replacing Hsu Ching-tang); and Mr. Hu Min-tsao, Secretary-General (replacing Mr. Ou Yang-chu.

Mr. Hsu Tsung-ching retains his former post as Education Commissioner.

The reorganization of the Kwangtung Government was persistently reported following the fall of Canton, so the new Government appointments were more or less expected.

It is learned that General Yu Han-mou will remain as Deputy Commissioner of the Chinese forces in Kwangtung; while the famous "Ironsides" Cantonese Commander, General Chang Fa-kwei, who defended Pootung in the Shanghai war, is now Commander-in-Chief of the Chinese forces around Canton.

General Chang Fa-kwei, who is very popular among the Cantonese as well as being known as a fearless fighter, will be responsible for the checking of the Japanese drive into Kwangsi.—Reuter.

MR. Hsieh Wei-ling, Counsellor to the Ministry of Foreign Affairs, and Mr. Feng Fei, a secretary, says a report to the "Chinese American Daily News," were relieved of their posts by order of the National Government on December 21.

Difficulties Met by New Regime

Shanghai, Dec. 25.

Officials of both the "Provisional Government" in Peiping and the "Reformed Government" in Nanking are reported to be holding a joint meeting in the former city for the purpose of discussing a further increase of the Customs duty on foreign goods. Other important questions, including the strengthening of the two Chinese governments by giving more power to the new joint committee created by the two governments, will also be discussed.

Officials of the new Nanking regime occupying the key positions, including Mr. Liang Hung-chih, president of the Executive Yuan, are reported by the Chinese press to have already flown to Peiping where preliminary discussions are supposed to have taken place yesterday.

General Kita of the Japanese Special Service Section and General Doihara are stated to be participating in the discussions, offering whatever help they can in order to increase the strength of the two Chinese governments, as they have failed to organize a strong central Chinese government.

Divergence of Opinion

On this question there is a reported divergence of opinion among the Japanese and Chinese officials, the latter being strongly opposed to a proposal asking the Emperor of Manchoukuo to come over to Peiping. It would appear, it is stated, that since the Chinese officials are opposed to the move, Japanese authorities will have to be contented with the newly created joint committee of the two existing governments in the occupied territory.

As to the impending increase of the Customs duty, especially in northern ports, the matter has been much publicized by the Chinese press. An all-round increase of the tariff will be effected but in doing so particular attention will be paid to luxuries exported to this country by foreign countries excepting Japan, it is stated. Tobacco and wine will receive the most serious attention.

The two Chinese governments will increase the Customs duty at the alleged instigation of the Japanese, who wish to retaliate against the recent British and American loans granted to China. Foreign traders in China are said to be paying most serious attention to the question and Customs authorities are stated to be opposing the new move.

Tariff Revision Denied

Peiping, Dec. 24.

Reports current in foreign trading circles of an impending discriminatory revision of the Maritime Customs import tariff were emphatically denied by a spokesman for the "Provisional Government" here today. He asserted the reports were based "on conjecture, not on facts."

Japanese officials also professed to have no knowledge of a reported move by the Joint Commission of the "Reformed" and "Provisional Governments" to retaliate against British and American financial assistance to the regime of Gen. Chiang Kai-shek by raising import duties against goods originating from those two countries.

Strong exception was taken by Chinese and Japanese officials to the report broadcast to the world by a German news service under a London dateline alleging that the "Provisional Government" had issued a decree "forbidding imports into North China of all non-Japanese goods." This report, made public by the agency in Shanghai and other points, was "killed" by the agency's representative here.

Never Broadcast

The report, as published in Shanghai, stated that "this new decree" had been announced by wireless.

Chinese officials in charge of broadcasting emphatically denied that such information had been put on the air. Also denied was the allegation contained in the German report that the "Provisional Government" had announced at the same time "that in future the money issued by them is valueless as payment for foreign-made goods."

Meantime, the third plenary meeting of the Joint Commission of the Peiping and Nanking régimes, scheduled to be held here tomorrow, was postponed until January.

The failure of the Nanking delegation to arrive, owing to a snowstorm in Tsingtao that held up the aeroplane in which it was travelling was blamed for the postponement.—Domei.

GENERAL Chang Hsueh-liang, who figured prominently during the "Sian Incident," says a Hongkong message to the "Wen Wei Pao," has been given an important post, and is now in Yuanling, Hunan province.

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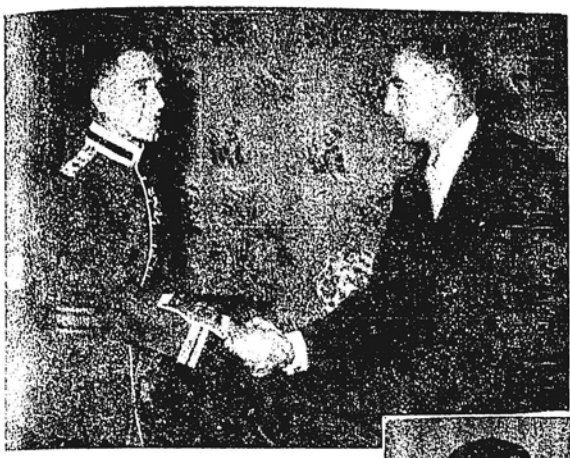
Presentation of Birthday Honours: Local Weddings



Sir Archibald Clark Kerr greets Col. J. W. Hornby. —*N.C.D.N.*

At the Ambassador's reception: *(l. to r.)* Mr. J. R. Jones, Sir Robert Calder Marshall and Sir Herbert Phillips.—*N.C.D.N.*

C.S.M. James Keil of the 1st. Batt., the Seaforth Highlanders, who received the M.B.E.—*N.C.D.N.*

Lieut.-Col. R. A. Wolfe Murray and Capt. J. D. E. Shotter, M.B.E.—*N.C.D.N.*

At the Ambassadors's reception: *(l. to r.)* Major C. E. Howard Vyse, M.B.E., Mrs. Howard Vyse, Major B. H. Ashmore, and Mrs. Ashmore.—*N.C.D.N.*

BIRTHDAY HONOURS

The residence of H.M. Ambassador to China was the scene of a reception on Monday last, December 19, when Birthday Honours bestowed upon Britons of Shanghai by His Majesty King George VI were formally presented to the recipients by Sir Archibald Clark Kerr.

Major and Mrs. H. York Irwine bade goodbye to Shanghai and the Far East on December 22 when they sailed for England on the "Marechal Joffre." Major Irwine has long been associated with Imperial Chemical Industries. He was with the Shanghai office for ten years from 1919 to 1929, and for a further ten as Chairman of Messrs. Brunner, Mond & Co (Japan), Ltd., at Kobe, Japan. Major Irwine is now proceeding to England to take charge of the Far East section of the company.—*Josepho.*

Miss Caliope Sentouktis, who became the bride of Mr. Walter G. Schmidt on December 17, wore an exceptionally beautiful wedding gown.—*Bann's.*

At the Blown-Harding wedding reception: *(l. to r.)* Mrs. Silby, Miss Lyall Cormack, Mr. G. Blown, Miss Ailsa Stuart-Murray, and Miss W. Ambrose.—*N.C.D.N.*

The wedding took place at Holy Trinity Cathedral on December 17 of Mr Philip Blown, son of Capt. and Mrs. O. C. Blown, and Miss Winifred Marjory Harding, daughter of Mrs. K. M Harding and the late J. W. Harding. The photographs above were taken at the reception following the ceremony and show *(left)* Mr. R. B. Roach toasting the bride and bridegroom, and *(right)* Mr. and Mrs. Blown cutting their wedding cake.

The wedding took place at the Church of Christ the King on December 17 of Mr. Walter G. Schmidt, assistant secretary of the Foreign Y.M.C.A., and Miss Caliope Sentouktis, daughter of Mr. and Mrs. C. Sentouktis of Shanghai. *(Left)* Mr. and Mrs. Schmidt cut their wedding cake and *(right)* the bridal party at the Church of Christ the King.—*N.C.D.N.*

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The World's Wit and Humour

"College Humour"

"Hastings, I feel extremely virile this morning. You may lay out my suit with the broad shoulders."

"Answers"

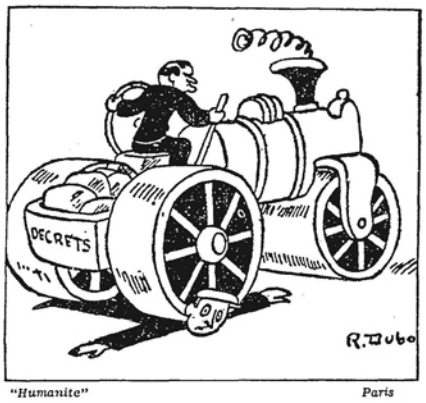
"A-tisket a-tasket—"

"College Humour"

"Ahem—fore!"

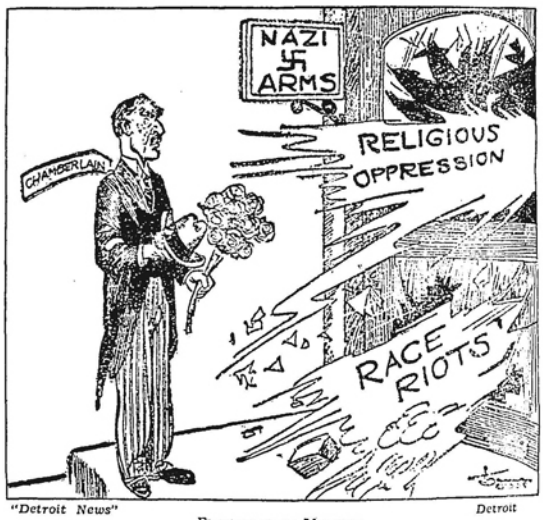
"New Yorker"

"Prepare the west guest room, Edwards. Mr. Carmichael has decided to spend the night."



"Humanite" Paris

FRENCH RADICALS SEE THE WORKER CRUSHED BY M. DALADIER'S RECOVERY PLAN.



"Detroit News" Detroit

EMBARRASSING MOMENT

"New York Times" New York

WONDERING "HOW TO GET HIM BACK IN AGAIN."

"Birmingham Mail" Birmingham

THE LAME DUCK

"New Yorker"

"I have only one regret. When I stepped out of his life I left him in the middle of a sentence."

"Glasgow Record" Glasgow

WHAT THE SPANISH LOYALISTS WANT TO STOP

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BIRTHS

Born, to Rev. and Mrs. I. M. Dungan, a son, THOMAS MITCHELL, on December 23, 1938, at the Country Hospital, Shanghai.

GRAY.—On December 23, 1938, at the Country Hospital, Shanghai, to Mr. and Mrs. J. R. GRAY, a daughter.

HILL.—On December 21, 1938, at the Country Hospital, Shanghai, to Mr. and Mrs. A. S. HILL, a son.

LEVY.—On December 26, 1938, at the Country Hospital, Shanghai, to Mr. and Mrs. S. H. LEVY, a son.

LUEDERS.—On December 20, 1938, in Foochow, to Mr. and Mrs. A. H. LUEDERS, a daughter.

REMMELE.—On December 23, 1938, at the Country Hospital, Shanghai, to Mr. and Mrs. K. Remmele, a daughter, CHRISTEL.

ENGAGEMENTS

HING—COWBURN.—EDWARD HING, son of Mr. and Mrs. William Hing, and MINNIE COWBURN, daughter of Mr. and Mrs. H. Cowburn.

OTTSEN—KOEHLER.—The engagement is announced between HANS H. OTTSEN, son of Mr. and Mrs. C. Ottsen of Nordborg, Denmark, and DOLORES (DICKY) KOEHLER, eldest daughter of Mr. and Mrs. A. Koehler of Shanghai.

MARRIAGES

THOMAS—AKERMAN.—On November 19, 1938 at St. Andrews Church, Stamford Hill, London, EILEEN MARY, only daughter of Mr. and Mrs. G. H. Akerman, Shanghai, to WILLIAM LLEWELLYN, only son of Mr. and Mrs. L. Thomas, Kindswood, Bristol.

WARD—RAEBURN.—On Wednesday, December 21, 1938, at St. Mary's Cathedral, Newcastle-on-Tyne, by the Reverend Father Wilkinson, JEAN FRANCES, youngest daughter of Mr. Peter Duncan Raeburn of Shanghai, China, and the late Mrs. Raeburn, to RONALD BARRINGTON, youngest son of the late Mr. Walter Ward and Mrs. Ward of Mount Terrace House, York.

ZENTNER—FARMER.—On December 24, 1938, by the Rev. W. Robt. Taylor, JANE ELIZABETH, only daughter of Mr. and Mrs. Walter Lee Farmer of Richmond, Virginia, to DAVID, only son of the late Mrs. R. Zentner, of Chefoo and Shanghai.

DEATHS

BRINCKMAN.—On Wednesday, December 21, 1938, at the Russian Orthodox Hospital, Shanghai, EUGENE KARL BRINCKMAN, aged 82 years, the dearly-beloved husband of Mrs. E. V. Brinckman.

CARR.—At the Country Hospital on December 26, 1938, ELSIE BLANEY CARR, widow of John P. Carr of Karatsu, Japan, in her sixty-first year.

GODKIN.—On December 16, 1938, at Tel-Aviv, Palestine, aged 69, Mrs. VERA GODKIN, beloved mother of Mrs. R. I. Hope and J. D. Godkin and S. Godkin of Shanghai.

KAUFMAN.—On December 26, 1938, FREDDY KAUFMAN, Cathay Hotel, Shanghai, aged 49 years.

KNUDSEN.—On Sunday, December 18, 1938, at Shanghai, ALICE EMILY, aged 54 years, the dearly-beloved wife of Augustus F. Knudsen.

LARSEN.—On December 18, 1938, at Blyth Hospital, Wenchow, Norwegian Master Mariner, A. M. LARSEN, of Tönsberg, Norway. Buried in Wenchow on December 20, 1938.

LOCKYER.—On Monday, December 19, 1938, suddenly, at his residence, 1690 Avenue Joffre, AUSTIN EDMUND ("Shorty") LOCKYER, aged 57 years, the dearly-beloved husband of Jane Russell Lockyer.

IN MEMORIAM

In everloving memory of JOHN PALMER WILSON, Japan, December 24, 1935.

"In commemoration of CHUN BING-HIM, whose memorial was held on December 24, 1938. A kind and honourable man, trusted and admired by all with whom he came in contact with, and who is sadly missed by all of his friends. Mr. and Mrs. W. H. Owens.

DOBROHOTOFF.—In ever-loving and affectionate memory of our dear wife and beloved mummy NATALIE DOBROHOTOFF, who died on December 23, 1937. Michael, Serge and Andrew.

FERRERO.—In loving memory of dear FAUSTO, who departed from this world on December 24, 1937. "Gone, but not forgotten." Sarah.

WEIGALL.—In tender and loving memory of FELICITY, who passed on December 26, 1933. Semper Fidelis.

MR. ARITA FAILS

Dec. 21.

Mr. Hachiro Arita, the Japanese Foreign Minister, deceives himself if he believes for one moment that his latest statement concerning Japanese policy with regard to China carries any real conviction. His declaration consists of words rendered entirely meaningless by the facts which are all too well known, facts which eloquently deny the statements he makes. His claim that it is for the benefit of the Chinese people themselves and the whole of East Asia to lift China from its present semi-colonial status to the position of a modern state, might be correct if the premises were accepted. They cannot be. China has not occupied a semi-colonial status; it had about it all the attributes of sovereignty and was making very substantial improvement until Japan embarked upon what Mr. Arita appears to believe is an uplifting mission. But the whole statement is unconvincing when read in the light of the facts which pertain at the moment. Whatever may be the declared intention of the Japanese Government, the facts show that they or their agents are bent upon a policy of definite exploitation of China, its people and its natural resources. The establishment of various monopolistic concerns, which has been reported from time to time in these columns, is clear proof of the contention that there is indeed no highly inspired intention of elevating China to something greater than she was achieving herself, but of maintaining her in a degree of political and economic subjection without which this expensive military venture can never be made to return a profit. Why, if such is not the intention, are these monopolies being established? To claim that it is being done for the good of China is absurd in the extreme, for neither the facts nor some statements of responsible Japanese officials support it. Is it to be wondered at, that declarations such as these are welcomed with just that type of derision which they so eminently deserve? Not all the pleasant phrasing in the world will help to change convictions which are based upon what is actually happening, and if ever there were one, this is a case in which soft words butter no parsnips.

Mr. Arita is no more convincing when he refers to the formation of the economic bloc. "If" he says, "by economic bloc is meant the exclusion of all interests other than those of the parties directly concerned, the employment of the term is wholly improper in the present case." If Mr. Arita is to be taken as implying that exclusion of other interests is not even now taking place, he is either completely misinformed as to what is happening in China or he is handling the truth somewhat indelicately. The history of what has been happening in Tientsin, Chefoo, and Tsingtao for months past, the wilful disregard of obligations to reopen the Yangtze, the all-round discrimination which is being exercised against most of the third party neutrals provide ample proof that Mr. Arita's bland explanations are wholly incongruous with the facts. What is happening daily in Tsingtao alone would be sufficient to nullify his contentions, but where the practice of discrimination, generally under the glib excuse of "military necessity," is as widespread as it is in the portion of China occupied by the Japanese the conclusion is inevitable that either Mr. Arita does not mean what he says, or does not say what he means. He is reported as saying, "It is far from Japan's thought to aim at excluding European and American economic activities from east Asia." He does, however, add somewhat later that within certain limits the "economic activities of countries which lie outside the limits of east Asia would have to be regulated," and the average neutral will be forgiven if he believes that all that Japan has been doing clearly shows that his activities are if possible to be regulated out of existence. That is most certainly the conclusion to be drawn from present day trends, and it is entirely for the Japanese to prove that that conclusion is incorrect. That would necessitate a complete reversal of the policies which are now being applied, and it has been made quite plain by acts that that is the last thing which the Japanese Government contemplates.

If it is believed that Mr. Arita's gentle blandishments are likely to stem the rising tide of indignation which is being felt in many quarters, disappointment must follow. It is made quite clear by the latest statements made in the House of Commons, and the British Press that the cumulation of wrongs committed by Japan against British interests is leading to a very proper stiffening of the attitude of the British Government. The same is happening in the United States. It is reflected in the latest decisions to extend credits to China, a very wise step as well as a neutral one. It is necessary that Japan should realize that there are limits to foreign patience over the manner in which treaty obligations, and more recent assurances, have been disregarded, and belied by the actions of the Japanese authorities in China. Regrettable as it would be if it were done, the application of treatment to Japanese interests similar to that which is being applied to neutral economic interests in China may prove the one means by which it is possible to bring home to Japan a realization of the manner in which she is offending all the canons of international morality. Such a thing can be done, and there is a rapidly strengthening opinion in favour of such a step. That it would worsen international relations, which are already bad, must be admitted, but the time when a contribution to the establishment of better conditions should be made by Japan has long been overdue. With all the best intentions in the world it is impossible to credit Japan with bona fides in the face of what she is actually doing in China. Mr. Arita has signally failed to explain away any of the very real grievances which foreign neutrals have against his government and its policies. He cannot hope for success in this direction until there has been a very decided change in Japanese behaviour in China, and a resort to the honourable practice of meeting obligations instead of deliberately ignoring so very patent a responsibility.

THE RAILWAY ISSUE

Dec. 22.

It is but natural that holders of Chinese Government Railway Bonds, and especially the British, should feel that anxiety concerning the future which was expressed by Mr. Harold Reynell, in the correspondence columns recently, and a general survey of the position indicates that something will have to be done quickly to preserve the interests which are being threatened by Japanese action. Outstanding foreign investments in China's railways amount to over £21,181,000 and of this sum it is reported that approximately 75 per cent. represents British money. Considerable interest attaches to the position of the Shanghai-Nanking Railway in connection with which the outstandings are:—S.N. Railway 5 per cent. loan of 1903, £2,784,000; net profit certificates £580,000 and S.N. Materials and Improvement Loan of 1937, £800,000. On the Shanghai Hangchow Railway of the Completion Loan of 1936 there is £1,100,000 unpaid, and in connection with the Canton-Kowloon Railway the amount still outstanding is £1,234,322. These figures do not exhaust the list, for there are other lines, such as the Peking-Mukden, and the Tientsin-Pukow Railways to be taken into consideration, as well as others, but they are quoted for the purpose of indicating how very substantial are the British interests in the Chinese railways. For the most part these lines are now in the occupation of the Japanese and are being to a great extent operated by them. Thus there is plenty of evidence to show that commercial and not military traffic is being carried on the Shanghai-Nanking and Shanghai-Hangchow Railways, freight and passage being charged in Yen. It has been reported that the Tientsin-Pukow Railway has been put into operation again, whilst the Peking-Mukden line has been working throughout the whole of the hostilities, not only for military purposes, but also for commercial. Requests by the representatives of British interests to be allowed to inspect the lines, and ascertain the material damage done, have been consistently refused by the Japanese on the time-worn excuse of military necessity, British officials on the Peking Mukden Railway are still retained on the payroll but not permitted to carry out their duties, and there is every indication that the Japanese are not disposed to meet the obligations which the Chinese Government assumed when the various loans were made.

Under the Shanghai-Fengching loan agreement secured on the surplus earnings of the Peking-Mukden Railway a specified amount used to be deposited in a bank towards the liquidation of the loan. This since the Japanese assumption of control has been suspended, while no payments have been made in connection with the Shanghai-Nanking and Shanghai-Hangchow Railways. In this connection it should be pointed out that the former of these two lines has been mortgaged in its entirety to the British and Chinese Corporation, and though the Japanese are working the line, its representatives have been denied the right to make an inspection. The Japanese authorities for a change appear to be remarkably frank with regard to their attitude in the matter. They claim that by right of conquest they stand in the shoes of the Chinese government, the railways being trophies of war, and that they do not intend to be bound by any agreements under which the railways were pledged to the bondholders for the very money which enabled them to be brought into existence. The proposition is a wholly untenable one. In many instances the loans were made years ago, in circumstances which permit of no allegation that they were effected for the purpose of preventing their falling into Japanese hands, and until the large sums of money which have been secured on the railways are repaid there can be no doubt that ownership is largely vested in the bondholders who provided the necessary finance. Viewed in this light the British investments in Chinese railways amount to a very substantial interest, and one which it cannot be conceived for one moment will be allowed to pass to the Japanese without very serious opposition. It is obvious that the British Government should take the necessary steps to protect the interests of the British bondholders in this matter, and that it should be made quite plain to the Japanese that this freebooting will not be permitted. There might be something to be said for the Japanese contention that when the lines were being used for military purposes, access of British representatives could be denied them. But even that is not strong, for if the Britons concerned were prepared to take the risks it should have been regarded as solely their own affair.

Conditions have changed so completely in the course of the last few months that the flimsy excuse that access is being denied because of "military necessity" carries no weight whatever, and is looked upon as an unconvincing example of tergiversation. The fact is that on the Shanghai-Nanking Railway in particular, and some of the others in general, military traffic has been reduced to a minimum, mainly because the Yangtze gives a more convenient means of revictualling the Japanese troops in the interior. That is the reason why they have been opened to commercial and civilian traffic, and it is claimed that now that this has been done—quite apart from the question of whether the Japanese should pay for the carriage of their men and material over these lines—the revenue so obtained should again be used for the service of the loans in question. But the fact is that not one penny has as yet been paid into the appropriate banks for such service, and the Japanese are operating the lines for their own profit. The situation is undoubtedly a serious one, and one which reflects gravely upon Japanese bona fides. Where in such an instance is to be found anything to show that often-repeated Japanese assurances of scrupulous regard for the interests of foreign neutrals are in any way real? Obviously the facts are at complete variance with such undertakings, and the ridiculous excuse of "military necessity" a very patent untruth. It is satisfactory to learn that continual representations have been made to the Japanese government, but most regrettable to learn that up to the present they have been without any appreciable effect. In the circumstances it should be quite plain to the Japanese that this matter cannot be allowed to rest where it is, and that sooner or later a settlement will have to be arrived at in accordance with Japanese honour, which has been so definitely pledged, but which at the moment seems to be under a cloud of Japanese manufacture.

THE REFUGEE PROBLEM

Dec. 23.

The growing influx of Jewish refugees from Central Europe into Shanghai is a feature of present political conditions which is already giving rise to considerable anxiety in local authoritative circles. During the past seventeen months the charity of Shanghai has been strained to the utmost by the demands which have been made upon it in order to care for the many thousands of Chinese refugees who sought shelter in the foreign areas immediately upon the outbreak of hostilities. Fortunately the large numbers which had to be cared for have considerably diminished, but there is still a large number of indigents who have to be fed and housed, and will probably continue to be in need until conditions are such that they will again be able to return to their homes in the country, but, even then, there will be the problem to be faced of supplying them with the wherewithal to resume earning their own livelihoods. There is also the probability that the longer present abnormal conditions are permitted to continue, the greater will be the danger of creating a definitely pauperized class with a perpetual demand upon the good nature of the community. The manner in which Shanghai has responded to the requests for assistance is something which redounds greatly to the credit of the various sections of the community, and during the last seventeen months the largeness of Shanghai's heart has been demonstrated in a manner which has astonished even those who realize how charitably inclined it is. This present influx of refugees presents difficulties which have not existed in previous years when Shanghai has been called upon to do its best for them. The advent of the Russian refugees in their thousands following the revolution does not provide a parallel, for then there was only the one problem to be faced. Today the situation is complicated by the fact that Shanghai burdened with its own domestic difficulties arising out of the Sino-Japanese hostilities, is obliged by force of circumstances over which it has absolutely no control, to assume the responsibilities of caring for thousands of refugees from Europe who have nowhere else to go.

With well over a thousand refugees from Germany and Austria already in Shanghai the city is faced with the probability that with each successive ship from Europe more hundreds will be brought in, and it is confidently expected that by the end of March somewhere in the neighbourhood of 4,000 newcomers will have been added to the foreign community. That does not tell the whole tale, for it is obvious that even more than that may be expected during the ensuing months, and by the end of the year unless means are found for diverting them elsewhere that total may be very considerably swelled.

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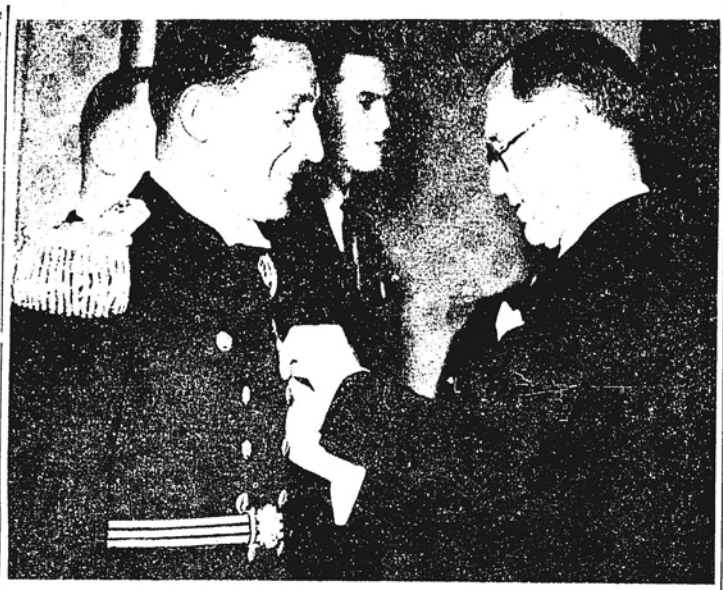
Without being unduly alarmist it must be emphasized that the outlook is indeed grave, and almost superhuman efforts will be necessary if the new arrivals are to be cared for properly. With unemployment as it is at the present time, it is quite clear that the absorption of these refugees into the Shanghai labour market will be slow in the extreme. Amongst practically all nationals in Shanghai there is an uncomfortable amount of unemployment, and it is only to be expected that the various communities will give preference to their own nationals before the new refugees, so that the problem which is being created will be rendered all the more difficult of solution by the very fact that the process must be slow. It is, of course, possible that many of the professional people will find an outlet for their activities, but even here Shanghai is already so well stocked with men of expert ability that the inevitable competition which will be created must have a baneful effect upon the fortunes of those who have already established themselves. People less well equipped will undoubtedly find it more difficult to establish a niche for themselves, and it is this section of the newcomers which must present the greatest difficulty to those concerned for their welfare. In their case the labour market is hopelessly overstocked against them, while there is the very grave danger that, if people at present in employment are displaced for racial reasons in favour of the refugees, a growth of anti-Semitism may be fostered which would be nothing short of deplorable.

It is quite clear to those who are undertaking the work of caring for those unfortunate people that the raising of the large additional sums of money required for the task is quite beyond Shanghai's ability, generous as it has been in the past. In this connection it is suggested that appeals will have to be made abroad for a share of the funds which are already being raised. Thus it is to be hoped that if a request is addressed to Earl Baldwin's Fund for Refugees for assistance it will be favourably considered, while undoubtedly similar appeals will be made to the United States. It should be borne in mind that Shanghai's problem is merely a part of the general difficulty created by the flight of Jews from Central Europe, that Shanghai is having forced upon it a burden which in its present circumstances it is wholly unable to handle unaided, and that unless help in very substantial proportions is forthcoming the condition of those people may become tragic in the extreme. The work which is already being done for the Chinese refugees in Shanghai must be continued. It is indeed a first charge upon Shanghai's charity, and it cannot in fairness to the indigent Chinese, and in the interests of the whole community now to be discontinued. The case for outside help is consequently a strong one, and it is hoped that this will be realized abroad, for without very generous outside assistance Shanghai will find itself wholly incapable of doing anything more than a little towards alleviating this newly imported distress. This article is written in no sense disparagingly of the newcomers. It would be contrary to the good traditions of Shanghai if it did not do its utmost to care for them, but it must be emphasized that this difficulty which might have been taken in the city's ordinary stride in normal conditions, is aggravated by the peculiar circumstances in which Shanghai finds itself. Without very considerable help these people must inevitably starve, and most of that help will have to come to Shanghai from abroad.



British Officer Decorated for Panay Incident

Captain G.E.M. O'Donnell, former Chief-of-Staff of the British Yangtze Flotilla, received the U.S. Medal in recognition of heroic rescue work after the bombing of the U.S.S. Panay in the Yangtze last December. Mr. Joseph P. Kennedy, U.S. Ambassador to the Court of St. James, is seen pinning it on his breast. Other British naval officers were honoured with medals authorized by the U.S. Congress and each medal was accompanied by a letter from President Roosevelt.

THE DRUG TRAFFIC

Dec. 24.

The attention of the House of Commons has been drawn to the alarming increase in the traffic in drugs noticed in those portions of China which are now occupied by the Japanese. A great deal of the good work which the League of Nations had been doing in this matter has now been undone, the effort which the Chinese Government were making to stamp this sinister business out has been nullified, and reports from the North reveal a state of affairs which is already alarming and may be expected to increase in danger. It will be remembered that after the Japanese occupation of Manchoukuo, and their complete domination of its Government, there was a surprising growth in the narcotics trade. Drugs were easily procurable in the various cities, and in Harbin in particular heroin, cocaine and the like were purchasable, even by children. The growth of the drug habit in Manchoukuo has been astonishing. It spread in North China following the Japanese occupation, and there is all the evidence necessary to prove that the trade is assuming grave proportions, and that Nanking, to quote but one example is becoming riddled with the evil. It has been stated that the Japanese are deliberately following the policy of permitting this trade for the purpose of destroying the morale of the Chinese people, and to bring about their degradation. Whether that is so or not is by no means clear, but it is certain that the Japanese authorities, if they are not actually encouraging the spread of this evil are doing nothing to prevent it. Even during its membership of the League of Nations, and its representation in the narcotics department of that body, Japan was doing nothing to prevent the spread of the drug traffic in Manchoukuo, and though it might seek to evade responsibility and to lay it at the door of the Manchoukuo Government, the close identity of that institution with the Government of Japan, the absence of that independence which Tokyo so frequently claims for Manchoukuo implicates Japan in the common guilt for so lamentable a state of affairs. That is a responsibility which cannot be shrugged off, for outside the Great Wall Japan is just as guilty of permitting the growth of the drug traffic, as if she were the proclaimed sovereign of that territory.

South of the Wall conditions are only slightly if any better. The responsibility, however, comes closer home, for the Japanese are in *de facto* control, they have set up puppet governments as supine as they are subject to Japanese instructions. Peiping sees the sale of drugs in practically every one of its streets, opium-smoking utensils are on sale openly, and the traffic in narcotics is carried on in the broad light of day. Revelations which have been made recently concerning the drug traffic in the Yangtze valley show that even here the people are being subjected to its noisome spell, and thousands of people are being ruined in body and soul through the activities of people who could easily be suppressed if the Japanese authorities really desired to do so. It is probably quite true as the Under-Secretary for Foreign Affairs, has stated in the House of Commons, that there is no evidence that the drug traffic in China is the outcome of any deliberate plan on the part of the Japanese Government, or that it is aimed at the systematic degradation of the people. It is quite possible that the whole sordid business is just another one of those rackets which are being operated behind the Japanese lines. That does not relieve Japan of the odium which must naturally arise from the failure to destroy a traffic which she would not allow amongst her own people, or alleviate that suspicion of which at the moment there is no adequate proof. What is to be said of a Government which permits such a state of affairs to exist in Peiping, as to enable Mr. Butler to report to the House that there is "scarcely a single store where drugs cannot be bought openly, and indulged in?" Such a picture presents a condition which has not been paralleled in China for many years past, and whether the Japanese Government is actually behind this trade or not, the charge is clear that it is permitting a course of action calculated as effectively to destroy the soul of the Chinese nation as Japan's armies are killing its people.

Mr. Butler is quoted as saying that conditions in Central China do not appear to be so serious. The creatures engaged in this loathsome business, whether with the consent of the Japanese or not, have not had as yet so much time in which to get in their deadly work. It may very well be only a question of a few more months before this evil thing will have secured a fatal hold upon the people along the Yangtze, a very short time before conditions prevailing in the north are equalled in this area. There can be only two views of the matter. Either this trade is being fostered as a result of an undeclared policy to ruin the Chinese people morally and physically, or it is merely a racket which for some reason or other the Japanese authorities do not think fit to suppress. There can be no doubt about the Japanese ability to put a sudden stop to the whole business if they really wished. They would be the first to resent any suggestion that they are unable to do so, and the failure to take appropriate steps for its total eradication places a grievous burden of guilt upon Japanese shoulders. It is of no avail to seek to suggest that the real responsibility rests with the provisional Governments which have been set up in Peiping and Nanking. They are merely facades behind which Japan is manipulating the strings of government. They have no authority founded upon the will of the people over whom they rule, but merely that delegated to them by the invaders. It is consequently to the fount of such authority that responsibility in this matter must ultimately be traced. On such a state of affairs it is impossible to write too strongly. Whatever is the reason for this traffic it is clear that its continuance casts a blot upon the Japanese escutcheon. This evil trade militates against the claimed traditional courtesy and chivalry of the Japanese race, for it is obvious that those who realize the terrible effects of this trade, and are unwilling to stop it must in the end make themselves a mere byword and a hissing amongst the nations of the world.

A GLANCE ROUND

Dec. 27.

A telephone call to this office yesterday morning was sufficient to demonstrate the peculiarity of the Christmas through which the world is passing. It took the form of an enquiry as to whether anything of significance had happened in the world during the holidays, and the answer, happily enough, was that nothing of outstanding or alarming importance had occurred. Past diplomatic history has shown a tendency for crises to occur over the week-end, particularly when Great Britain is involved, heads of totalitarian states being apparently convinced that the British week-end habit is likely to give them an opportunity of catching the various Ministers unawares. That gave rise to the fear that during the Christmas holidays somebody or other would start something, and there is certainly enough explosive material lying around to provide fuel for the most widespread conflagration. Fortunately, at least for the time being, everyone seems to have held his hand, and while it may be truthfully said that the position has not improved, it is also clear that during the holiday little has happened to worsen a situation which in all conscience is bad enough. Prince Konnoye's latest message to the Chinese people, approved, it will be noted, by the Japanese Expeditionary Force in China, has for the moment fallen upon deaf ears. Whatever hopes there might have been that the Christmas spirit would have induced thoughts of peace in the Chinese mind do not appear to have fructified. China will continue to fight on, and this year there will be few indeed who will endeavour to persuade her to any other course. There is no sign that Generalissimo Chiang Kai-shek has lost any of the esteem in which he was held by his people at the commencement of the China Incident, no signs of any serious cleavage amongst his Ministers, but, on the contrary, every indication that the Chinese will to fight on is as strong now as it was a year ago. In Spain the insurgents, disdaining any suggestion for an armistice over Christmas have commenced another of their big offensives aimed at the subjugation of Catalonia. It is being fiercely resisted by the Government troops, and though the rebels appear to have made some headway the end of the struggle is not yet, and may not come for some months.

Relations between the United States and Germany are not improving. The latest utterances of Mr. Harold L. Ickes, Secretary of the Interior, have aroused anew German indignation, and the attitude of each government to the other is becoming increasingly stiff. Franco-Italian relations are not bettered by what amounts to the denunciation of the agreement reached in 1935 between the two countries, which it was hoped at the time would settle once and for all outstanding questions between the two nations, and a reversal to the *status quo ante* the formulation of that document has been the result. There is no improvement apparent in Anglo-German relations. The recent attacks in the press and by radio upon the alleged behaviour of the British troops in Palestine, allegations which have no foundation in truth, have done nothing towards that appeasement of which Mr. Chamberlain is so earnestly in search. The German press seems to have been indulging in an all-round attack on the British, such as they very bitterly resent when applied with more factuality to themselves. Moscow and Tokyo are engaged in a pleasant little dispute over the question of the fishery rights off the coast of Siberia, an issue which may give rise to serious complications, unless a *modus vivendi* is quickly reached. Indeed there is so much variance existing at present that the old tag may be aptly quoted, with a definite exception with regard to the last line:—

The world is a bundle of hay.
The nations the asses which pull;
Each pulls in a different way.
And the greatest of all is John Bull.

The world has probably never seen so much open conflict of interests as at the present time, and though some of the asses would like to find some method of stopping all this divergent pulling, there are others who obviously think to find in it means of obtaining things which they might otherwise never obtain. Whether they are right in their view remains to be seen, but the indications are that if this continual tugging is not stopped the results may indeed be tragic.

Yet this balance sheet is not without substantial items on the credit side. The Czechoslovak crisis has shown that, no matter what various rulers may think, there is not yet abroad in any country amongst its masses any very real desire for war. In addition to that the Anglo-French entente is stronger today than at any time in its history. There is a better realization by both of them of the identity of their interests, and a common determination to defend them if the necessity arises. The speedy movement in Britain towards a perfection of the nation's defences, the intention of France to improve her services to a higher standard than ever before, the growing authority with which their statesmen are now able to deal with the problems posed, all point to the possibility of a greater stability in Europe than seemed likely a short while ago. That that stability is in fact founded upon power, and not too much goodwill is the only bad feature about the situation, though it is clear that Great Britain and France are better able to face the contingencies of the future than they were only a brief twelve months ago. The growing interest of the United States in world affairs, the manner in which they are being induced to take a greater interest in European matters by circumstances not within the control of either Great Britain or France, the partial success of the Lima Conference—not so great as it was originally hoped, it must be admitted—are all factors tending towards the future safety of the democracies against the threats with which they are faced. From a spiritual point of view many a good deed shines in all this political gloom. The gifts which have been made to suffering Spain on both sides of the battle front, the care which is being provided for the Jewish refugees from Central Europe, the general display of humanity which has marked this season in many countries all go to show that while in many ways the world is very evil, the good is still there, waiting that happy time when it will again be able to emerge and dominate in spheres where wickedness at present seems to prevail.

THE
NORTH-CHINA DAILY NEWS

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SHANGHAI NOTES

A Merry Christmas

It is difficult in a country like China, immersed in such difficult political conditions, to appreciate that midnight ushers in Christmas with all its attributes of peace and goodwill. Everything is against the real atmosphere of this supreme Christian festival, and it is almost impossible to escape the influence of war. Even the toy displays in the Chinese shops subscribe faithfully to the traditional existence and duties of Santa Claus starting at midnight tonight, but the note of belligerency is unavoidable. Toy soldiers for Christmas were always popular but there was nothing serious in the connection. One of the big Chinese stores has a display in which mechanical appliances run in an out of a vast snow-covered hill, nicely tunnelled to provide a maze of mysterious comings and goings, but among the symbols of festivity and peace, guns mow down invisible enemies in a manner not quite in accordance with the spirit of the festival but certainly deriving inspiration from the times. It is unfortunate that this is so for however strong is the Santa Claus legend—and may it never be sacrificed to the destructive arguments of scientific fact—in a gas mask and machine gun age it is difficult for it to ignore the new fashions, no matter how unbecoming. In England there has been some criticism of a new Japanese toy, a miniature aeroplane bomb in which a percussion cap may be placed in the nose and used as a passable projectile as far as noise is concerned. The harassed parent, already exhausted by trying to explain and convince his children regarding Santa Claus in a steam-heated apartment with no chimneys, will find his task tremendously increased if he tries to explain these other inconsistencies in a very materialistic world. Vagueness is permissible and excusable. These are days of stout hearts but it is a poor heart that never rejoices. Therefore, in spite of everything to the contrary let us try to have a Merry Christmas. It is a good antidote for a type of depression which Shanghai has been suffering for some time.

No Christmas Ban

One of the great tests of the indomitable spirit typified by Shanghai is the way it reacts to traditional festivals and observances although conditions are adverse. With Christmas near and in face of restrictions difficult enough to extinguish the normal spirit of celebration in other places, Shanghai seems none the worse. The premier period of festivity is now in progress, and although the show is not so elaborate or extravagant as in former years a brave attempt is being made to enjoy it. People may well complain of better days and larger resources for celebration but it cannot be denied that Shanghai residents are doing their best to extract from the festival everything it can yield. For nearly two years things in this city have been as bad as they could have possibly been, and as a mercantile community, deprived of that degree of profitable activity which entitles a resident to a share of better things on occasions of relaxation, Shanghai faces a Christmas on terms hitherto inexperienced in the city's long history. But this has not killed that feeling of humanity which rejoices when it can and scrapes up from accumulated resources the wherewithal to put on a gay and brave face although the atmosphere may be cloudy and dismal. This year the true spirit of Shanghai is being tested and is proving its worth. There will be a generous observance of this Christian festival and, as the donations column of this journal are revealing, the tribulations of the community are not being forgotten in the contributions to the less fortunate from the thin purses which ordinarily do not suffice for one but in the face of other greater needs now manage to suffice for two. This is indeed the true Christmas sentiment.

What Santa Claus Did

On Monday and the day before there could be seen about Shanghai a number of self-conscious men, who looked as if they were trying to bluff out something—which indeed they were. They were trying to bluff out their Christmas presents, socks, ties, and scarves. The Christmas tie has been a joke for so many years that it has become quite a serious problem. And therefore there is no intention to dwell upon it here, except to remark that, in most cases, the taste displayed in the choice of these gifts is so good that it is something of a reflection on the mere male wearer who, if given the opportunity, would probably have wasted his substance on "plain red and yaller." Economists may be able to find the reason why Shanghai, at this season, when everyone is suffering from the effects of the depression and the Sino-Japanese hostilities, has been able to spend a record amount of money in celebrating the Christmas festival. To the average human being, whose brain reels when he tries to total up the chits signed any particular evening, the phenomenon is inexplicable. The big department stores report that they have sold more gifts during the pre-Christmas rush than at any time since the Manchurian Incident. The hire car garages, as any reveller who was out on Christmas Eve knows to his misfortune, have been carrying more passengers than ever before. The cabarets—and surely there are more in Shanghai now than there have been for the last decade—claim to have had the best of times. In fact, in some of them, the tariffs seem to have been designed especially to keep the customer away—but without success. It may be that the lesson of Christmas Eve will have been learnt by the New Year, and that the efforts of the cabaret proprietors to dip too deeply into the pockets of revellers will have their logical effect, and people will stay away. If so, the caterers for pleasure will have only themselves to blame.

Egypt Rearms

Licensing the Press

The new King's Regulation which was published in the columns of the N.C.D.N. on Dec. 21 will be welcomed by those who have watched with some concern the activities of certain newspapers published in the Chinese language under the cloak of British ownership. By it H. M. Ambassador has been given wide powers with which he should be able to check the publication of matter which should not be published in view of the prevailing circumstances. Obviously it is improper that Chinese publications hiding behind British extraterritoriality should be permitted to publish articles not only offensive to nations with which Great Britain is in amity, but actually offensive to Great Britain herself. The terms of the Regulation make it quite plain that respectable publishers have nothing to fear. They will be required, if they publish matter in any other language than English to take out their licence, and in that respect there has been no discrimination against any particular section of the publishing world. But it is made quite clear in the terms of the Regulation that those who are aimed at are those concerns, which, under a thin cloak of British nationality, are disseminating matter calculated to endanger the good relations which should exist between the various communities in such a place as Shanghai, and more especially in the peculiar circumstances prevailing. It has been claimed that this regulation amounts to the establishment of a censorship. In fact it does not, though it does provide the authorities with a means to correcting an abuse which has already been noticed. It constitutes no check upon newspapers of British ownership properly conducted, and it is not to be believed that the powers thus given to the Ambassador will be used in any capricious manner. The freedom of the Press is very jealously regarded by the ordinary Briton, but when that freedom is allowed to degenerate into licence then obviously a time has come for halt to be called. It should also be noticed that with the exhibition of the Regulation in H.M. Consulate-General on Dec. 20 it became immediately effective, and is now necessary for all firms publishing newspapers, pamphlets or other publications in any language but English to obtain the necessary licence.

New King's Regulations

Comment by the YANGTZE HERMIT in the Shanghai "Mainichi," on the subject of the recently promulgated King's Regulations requiring the licencing of all newspapers, pamphlets and other publications by Britons in languages other than English, seems complacently to assume that this has been done with the idea of making a diplomatic gesture to Japan. In his desire that the Regulations should be made retroactive he indicates a complete failure to understand the effect of these new provisions. All concerns engaged in the publication of matter defined above are required to obtain such licences, and in that respect the regulations cover such firms as are already in existence as well as any others which may be formed in the future. It is now an offence to publish such works in other than the English language without first having obtained the necessary licence, and it is again emphasized that it is necessary for firms and individuals engaged in such activities to obtain the necessary permission which is described in the King's Regulation. Those who have not yet made the application are already in peril, though it is believed that the authorities will give a reasonable time for compliance with this new law. That YANGTZE HERMIT's assumption that this is a diplomatic gesture towards Japan is not correct is amply demonstrated by the provision of the original Order in Council, Article 75, which has subsequently been amended, but which in its original form, dating as far back as 1904, read:—

> Every person subject to the criminal jurisdiction of the Court who prints, publishes or offers for sale any printed or written newspaper or other publication containing matter calculated to excite tumult or disorder, or to excite enmity between His Majesty's subjects and the Government of China or Corea, as the case may be, or between that Government and its subjects shall be guilty of a grave offence against this Order, etc.

An amendment promulgated in 1907 dealing with the publication of seditious manner, described it as

> Matter calculated to excite tumult or disorder, or to excite enmity between His Majesty's subjects and the Government of China or the Government of Corea, *or the authorities or subjects of any Power in amity with His Majesty*..... shall be deemed to be seditious matter....

It is clear, therefore, that the promulgation of the new King's Regulations is merely designed to give teeth to a measure which has been in force in one form or another for over thirty years past.

Guerillas

Reports from both sides in the Sino-Japanese hostilities conflict considerably over the suppression of guerillas. By the Chinese it is claimed that the guerilla campaign is being successful, harassing the Japanese communications and preventing the exploitation of the economic resources of the country by the invaders and those Chinese who are willing to assist them. By the Japanese, on the other hand, the claim is made that the guerillas in many widely different parts of the country have been "liquidated." The facts are probably somewhere between the two. The very existence of guerillas depends upon their being able to avoid any major engagements with the forces who are trying to round them up, and, therefore, Japanese claims of victories are probably well founded in so far as they mean that the guerillas have been dispersed. There can, however, be no real victory over such mobile forces until they are stamped out. Their mere dispersal, to regather as soon as the Japanese have turned their backs, is not a victory, since the whole work has to be done over again inside a few weeks. This is apparently what the Japanese have experienced in Pootung, of which they have been in nominal control for over a year, yet where they are even now engaged in the most recent of many campaigns of "extermination." Doubtless many guerillas have been slain in the course of these campaigns, but as is proved by the seriousness of the effort now being made against them, the major problem has never been solved. The time factor is important to both sides. The Japanese are being put to much expense and are suffering losses through the necessity for these campaigns, and this will eventually prove a grave drain on their war funds. The guerillas themselves, however, are forced to live largely upon the countryside in which they operate, and this has necessitated requisitioning the goods of the peasants. As a result many peasants regard them as little better than bandits. If the guerillas stay too long, there is always the possibility of the peasants organizing themselves into avenging bands, as has happened in bandit-ridden provinces many times in the past.

From the Daily News Ads.

M. d'Auxion de Ruffe has returned to Shanghai from Europe and has resumed his practice of law.

There was no issue of the "North-China Daily News" on December 26, and there will be none on January 2.

The offices of the Portuguese Consulate-General at Shanghai have been removed to 15 Route Francis Garnier.

The Bakerite Chocolate Shop, Shanghai, are offering for sale twenty-five pound turkeys imported from the United States.

Foreign banks in Shanghai and the Shanghai Stock Exchange were closed on December 26 and 27 for the Christmas holidays.

As from January 1, 1939, Messrs. Racine & Cie.'s pharmaceutical Department will be transferred to Messrs. Olivier-Chine.

European tobacco expert, 17 years experience in cigarette manufacture and leaf tobacco trade, seeks position. Box 3747, NCDN.

The Passport and Shipping Office of the Japanese Consulate in Shanghai will be closed from December 29 to January 3 for the New Year holidays.

The name of Messrs. Mutual Supply Company, Limited, will, unless cause is shown to the contrary, be struck off the Register of British Companies.

Wanted, a British subject, well-versed in the Chinese written language for scrutinising Chinese publications. Address Box 3726, NCDN., stating qualifications and other particulars.

Monument and Pearce Roads in the Hungjao district are now open to members of the Hungjao Area Association on production of membership card. Some of the bridges are under repair.

Persons having claims against the estate of the late Captain A. M. Larsen are requested to send particulars to Mr. Otto Kildal, Acting Consul-General, Royal Norwegian Consulate-General, Shanghai.

As from January 1, 1939, the sole agency for China and Hongkong for the distribution of the products of Sharpe & Dohme and Mulford Biological Laboratories will be transferred from Mustard & Co., Ltd., to Jardine, Matheson & Co., Ltd.

The China Coasters Tide Book for 1939 is now on sale at $5 per copy, plus 15 cents postage in China. This new edition contains tide tables for all China ports, tide signals, harbour regulations, etc., and a number of maps and charts. It is published by the North-China Daily News Office, 17 The Bund, Shanghai.

As from January 1, 1939, subscription rates for the "North-China Daily News" will be increased in order to compensate in some slight measure for the increased cost of production. Subscription rates for Shanghai will be raised from $24 per annum to $28, for China and Japan, including postage, from $32 to $36, for Hongkong and Macao, from $50 to $57, and for Postal Union Countries, from $85 to $90.

H. M. river boat "Bee" is offered for sale as and where she now lies at Shanghai. Conditions of sale are that the hull is to be completely demolished at Shanghai to the satisfaction of the British Commander-in-Chief within four months date of sale, and to be open to his inspection until work of demolition is complete. The purchaser is to furnish a joint and several bond with two sureties guaranteeing these conditions of sale, the amount of the bond to be equivalent to the purchase price.

An advertisement inserted by Messrs. Allman, Davies and Kops, attorneys-at-law, states that it has been found that various brands of cigars made outside the Philippine Islands are sold in Shanghai in boxes bearing stamps imitating the Tobacco Export stamps used by the Internal Revenue Bureau of the Philippine Government, thereby conveying the false impression that the cigars in question have been exported from the Philippine Islands. As such practices are illegal, those who persist in such practices are subject to prosecution according to law.

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NEWS FROM THE INTERIOR

Interference in Concessions

French and British Lodge Protests in Hankow and Tientsin; Foreigners Stopped

Hankow, Dec. 20.

Following a public protest by the leading foreigners in the French Concession yesterday against the action of Japanese sentries who refused to allow foreigners to bring their personal provisions into the Concession, interference with foreigners has ceased.

The day before yesterday a number of foreigners' cars were stopped at the Concession gates, the occupants ordered out and the vehicles ransacked.

It has since been semi-officially explained that the sentries were exceeding their orders.

The embargo against Chinese taking food into the French Concession continues.—Reuter.

"Military Precautions"

Shanghai, Dec. 21.

Questioned at yesterday's press conference on restrictions placed on the entry and exit of foodstuffs and Chinese into and from the French Concession in Hankow, Japanese spokesmen stated that only ordinary military precautions were being taken, inasmuch as there were a large number of Japanese troops in the Wuhan area. There was no definite scheme to restrict access to the Concession.

To the suggestion that Chinese were not allowed entry, it was stated that all Chinese bearing passes were allowed to enter or leave before curfew hours. A correspondent asked if it were true that Chinese foodstuffs were prohibited from going into the Concession; the reply was made that food carts had to be examined in the usual manner.

Were the restrictions in Hankow and Tientsin comparable with those existing round Shanghai?—Purposes of restriction were the same; to prevent undesirables from travelling to and fro. It was difficult to make an exact comparison, it was added, unless one went to Hankow and observed conditions first hand.

By way of further explanation, a spokesman pointed out that Japanese sentries on border duty in the Shanghai area on searching Chinese had found grenades in bamboo poles, pistols in cabbage baskets, and ammunition in bedding.

No one of the spokesman said he had any knowledge of a Japanese vessel arriving in Hankow with two or 300 Japanese civilians including women and children on board.

Hankow Tension Eased

Hankow, Dec. 21.

The situation in the French Concession considerably eased today and the French Consul, M. Colin, told Reuter that relations between the French and the Japanese were very friendly. There were no questions between the French and Japanese authorities, M. Colin declared, which remained unsettled.

Asked regarding the water supply in the Concession, the French Consul-General said that the Japanese had promised to turn on the water in a few days. He added, however, that the matter was not important, because the Concession authorities had arranged for an adequate supply of water from the river.

When questioned on the Concession's food supply, M. Colin said: "Have you seen our market?" He explained that the Japanese embargo against the Chinese taking food into the French Concession had been imposed only for two days, and that the only reason for this measure had been to drive hawkers from the French foreshore to the new sites.

When this objective had been accomplished, M. Colin continued, the Japanese readily agreed to the French establishing a market inside the Concession for which food was now being permitted to enter.

Reuter visited the market and found it filled with provisions, indicating that there was no fear of starvation.—Reuter.

Interference in Tientsin

Tientsin, Dec. 20.

Japanese military authorities here today suggested to British Concession officials to arrange for the transportation of foodstuffs required by residents in their area in motor trucks so as to prevent delays on the Concession boundaries.

This followed the lodging of a firm British protest yesterday with the Japanese military headquarters over the refusal of Japanese sentries on the Concession border to allow the passage of five cows and their driver. The cows were said to be on their way to the British barracks.

In their reply, it was understood, the Japanese authorities pointed out that the examination of persons entering and leaving the French and the British Concessions, begun on December 17, was for the purpose of apprehending anti-Japanese and pro-Communist elements who were seeking to maintain contact with their accomplices outside of the foreign-controlled areas.

Chinese cart-drivers, hawkers, and others, the Japanese officials were said to have stressed, were frequently suspected of serving as such agents. Hence, the ban on the cows and their drivers.

A request for continued co-operation by the British authorities in this Japanese effort to maintain peace and order was also made, it was understood.—Domei.

Tientsin Foreigners Prepare

Tientsin, Dec. 20.

The precautionary measures, instituted by the Japanese military and Chinese police a few days ago on the boarders of the British and French areas, were continued today, with evidence that they might be tightened.

There is now no delivery of the "Peking & Tientsin Times" outside the Concessions. Residents of the Concessions are calmly preparing for an emergency, including the investigation of their foodstocks, although foodstuffs are still coming into the Concessions in fair quantities.

Colonel Hitaka, the army spokesman from Peiping, was bombarded with questions on the subject, at the press conference today, but he declared that the situation had a "political nature."

General Gen Sugiyama, Supreme Commander of the Japanese Expeditionary Forces in North China, accompanied by Lieutenant-General Kenji Doihara, inspected the Japanese garrison and barricades on the Concession borders yesterday.—Reuter.

Passers-by Examined

Tientsin, Dec. 21.

Examination of passers-by, entering or leaving the French and British Concessions here, will be continued "with increasing severity," Mr. Shigenori Tashiro, Japanese Consul-General here, told his British and French colleagues in a one-hour interview yesterday, Domei learned today.

The Japanese official, it was understood, claimed that these measures were justified in view of the alleged non-co-operative attitude displayed by the authorities of the two foreign-controlled areas.

He was reported, however, to have assured the British and French consuls-generals that the present policy of not interfering with the transportation of foodstuffs into the Concessions would remain unchanged.

"New Situation"

The capture of the Wuhan and Canton areas by the Japanese forces, Mr. Tashiro was understood to have told his colleagues, had created a "new situation" which no longer allowed the Japanese authorities to tolerate past conditions.

Japanese officials here complain that repeated attempts to secure the arrest of Communists, and other pro-Nationalist elements, known to have their headquarters in the Concessions had been fruitless.

Another grievance of the Japanese authorities is the failure of the British and French authorities to hand over to the new Chinese régime the telephone exchange formerly operated by the Chinese Ministry of Communications. At present, there is no direct telephone communication between the Japanese and the British and French Concessions.—Domei.

Situation Easier

Tientsin, Dec. 22.

The situation on the border of the foreign concessions is easier, and is showing improvement. The movement of Chinese is freer, while dislocation of retail business in the shopping districts has been partially remedied.

Supplies of foodstuffs, including fish, meat and milk, are at present almost normal. The atmosphere is definitely better, and hitherto there have been no incidents.—Reuter.

Office to Curb Imports

Tientsin, Dec. 22.

Moving to curb the alleged smuggling of arms, gold and silver specie, the "Provisional Government" will soon open a Customs Office branch within the former German Concession, known as the First Special Administrative District, officials announced today.

With the Custom House located within the French Concession, authorities here allege that considerable quantities of arms and ammunition as well as gold and silver have been shipped by anti-Japanese elements.

Chinese and Japanese authorities are, meanwhile, continuing a close watch on Chinese crossing into the British and French Concessions here. Domei.

Tientsin Restrictions Tightened

Tokyo, Dec. 23.

New restrictions between the foreign concessions in Tientsin, and the outside world, were announced here yesterday. Traffic is now permitted only in day time, and on seven specified roads.

Only soldiers, and nationals of Third Powers with Japanese Army Headquarters permits, are allowed entry at other times.

More barbed wire, it is stated, has been erected at the borders of the British and French Concessions.—Reuter.

Tientsin Telephone Problem Solved

Tientsin, Dec. 24.

Chinese control was restored over the entire telephone system serving Tientsin today as Mayor Pan Yu-kwei assumed active management of the administration, formerly controlled by the Ministry of Communications of the former Nanking Government.

This followed an exchange of memoranda yesterday between Mr. Pan and the French and British Concession authorities through the good offices of the Italian consul-general. The exchange was also witnessed by the French consul.

Under the arrangement, Mr. Pan will serve on the joint board of French, British, and Italian representatives who took over the operation and management of the telephones serving the British, French and Italian Concessions in July 1937, when the Kuomintang administration was ousted by Japanese military action.

Control of the telephone systems in the Japanese Concession, the former Concessions, known as Special Administrative Districts, and the Chinese City was taken over temporarily by the Japanese and subsequently handed over to the new Chinese regime.

Unrecognized Government

Repeated attempts of the new regime to regain control over the entire system, so as to permit telephone communications between the French and British Concessions and other areas were foiled. Claiming that they had been entrusted with the management by a recognized Chinese government authority, the British and French consular authorities refused to relinquish control. Subsequently, the telephone question became one of the bitter issues between the Concession authorities and the new Chinese regime, which was supported by the Japanese.

The solution of this question, coupled with the recently-announced decision of the French and British Municipal Councils to accept notes of the Federal Reserve Bank in payment of official bills, is regarded here as foreshadowing more cordial relations between the British and French authorities, on the one hand, and the Japanese and Chinese administrations, on the other.—Domei.

Control Causes Decline In Cotton Export

Peiping, Dec. 20.

Since the enforcement of the recent cotton control regulations, a considerable decline in the export of cotton has been recorded, according to Chinese reports.

For the week ending December 11 the total amount of cotton exported was 7,618 bales as compared with the preceding week's total of 18,474 bales.

It is reported that leading Japanese cotton merchants in Tientsin, Tsinan and Shihchiachwang are holding a conference in Peiping to decide on standardized buying and distribution rates of cotton in North China.—Reuter.

Pictures of Japanese Bombings Sales End

Canton, Dec. 22.

Pictures of recent Japanese bombings in Canton can no longer be sold in Shameen, and existing supplies were today handed over to the police authorities. It must be emphasised that this was not a case of seizure, however, as the owner of the pictures handed over his supplies willingly.—Reuter.

Navigation of the Pearl River

Shanghai, Dec. 21.

Reuter's representative at yesterday's press conference questioned the Japanese spokesmen whether they could affirm the report published in yesterday's issue, quoting the Japanese Consul-General in Canton saying that the Pearl River would not be opened to foreign shipping until the Yangtze issue had been settled. It was stated that they, having no knowledge of the statement, preferred to make no comment. The correspondent then pointed out that six weeks ago the Japanese Consul-General in Canton had told him that he might print a statement that the Pearl River would be opened to navigation at the end of this period. Spokesmen declined to comment. Queried regarding a Hongkong report that today a Japanese shipping company would institute a service between Macao and Canton, the spokesmen denied any knowledge of the proposal.

Pearl River Will Not Open

Tokyo, Dec. 21.

The Pearl River cannot be reopened to general navigation until the mines indiscriminately laid in the estuary by the Chinese forces have been swept away and both banks of the river have been cleared of guerillas, Vice-Admiral Koichi Shiozawa, former Commander-in-Chief of the Japanese naval forces in South China, told newspaper men here today.

Vice-Admiral Shiozawa returned to Tokyo this morning. He commanded the naval forces which escorted the expeditionary force to Bias Bay for the landing which led to the capture of Canton. He was received in audience by Emperor Hirohito today and submitted a report on the activities of the South China forces.

Vice-Admiral Shiozawa told newsmen that about half a million Chinese, or half of the normal population of Canton, already had returned to the city.

He dismissed the report of a Chinese plan to recapture Canton as a "typical case of Chinese propaganda." It would be "strategically impossible" for the Chinese to recapture the city, he declared.—Domei.

Delta "Arcadia"

Canton, Dec. 21.

Economic development and peace preservation in the Pearl River delta will be high on the list of projects to be launched by the new Canton Peace Preservation Commission.

When the entire area of the Pearl River delta covering more than 2,000 square miles is turned into a peaceful "Arcadia" the fertile land will produce enough food to make the region self-sufficient, the authorities declared.

In the past the people of the delta depended on the South Seas for their rice supplies. Co-operation with South Seas Cantonese will be sought by the commission.

Cantonese merchants now in Hongkong and South Seas Cantonese who have properties in Kwangtung were expected to return to their homes before long.—Domei.

Tribute Paid to Slain Chinese General

Chungking, Dec. 20.

A very high tribute was paid today to General Fan Chu-sien and his son, who were killed in action in west Shantung province. Mr. Lin Sen, Chairman of the Chinese National Government, paid the tribute.

According to an official report received here from Admiral Shen Hung-lieh, Governor of Shantung, General Fan Chu-sien was killed while defending Liaochen, in west Shantung, against a Japanese attack. He was killed near the north gate when the city fell.

Last August, continues the report, when the general and his troops participated in an attack on Tsinan, the general's son, who was only 18-year old, led the "Dare to Die" youth corps and was killed while storming the Japanese positions.

Last year, the report adds, General Fan Chu-sien and his troops remained on the north bank of the Yellow River in west Shantung and resisted the Japanese for over a year.

Mr. Lin Sen urged the Chinese populace not only to respect those who have already made the "supreme sacrifice," but said that they must be prepared to follow in their footsteps.—Reuter.

German Views of War Situation

Berlin, Dec. 20.

The Japanese offensive in China has been at a standstill since the beginning of October, and, "Inside the country, General Chiang Kai-shek's prestige has survived his defeats and the nation considers him as incarnating the country's will to live," the "Frankfurter Zeitung" commented today upon the Sino-Japanese situation.

It asserted that any new Japanese advances may isolate their armies and might necessitate the sacrifice of hundreds of thousands of new soldiers and an enormous amount of money and raw materials.

On the other hand, it emphasized the importance of the loans granted to China; the United States have already extended $25,000,000 worth of credits and Britain is also preparing to make an advance.

If these loans are continued, it would mean that the Anglo-Saxon nations would assume the responsibility of supporting General Chiang financially and of supplying him with war materials.

"Then the Japanese recommending a war of attrition would lose their influence and their methods would have to be replaced by methods of force," the "Frankfurter Zeitung" added.

"A new offensive westwards, toward Yunnan and Chungking would be necessary," it concluded.—Havas.

Yellow River Freezing

Chungking, Dec. 21.

The Yellow River is now freezing, and it is thought that this may cause the Japanese to launch, shortly, their anticipated drive into the north-west provinces, with the intention of cutting communications between China and Soviet Russia.

The Japanese forces in west Suiyuan and Shansi provinces have been moving up in order to cross into Shensi and Ninghsia provinces.—Reuter.

Shansi Guerillas Routed

Taiyuan, Dec. 21.

Chinese guerillas and remnants of the 104th and 178th Divisions were scattered by Japanese detachments which launched a triangular mopping-up drive south of Siahsien in south-eastern Shansi, according to a field dispatch received here today.

The Chinese were dispersed toward the east and left 50 dead, the message stated. The Japanese units carried out an encirling drive starting from Siahsien, Changtienchen and An-i.

Two other Japanese units routed 200 irregulars in a clash near Tsinghochen after a three-day operation.—Domei.

Girl Guerilla Slain In Action

Chungking, Dec. 23.

Miss Chang Tsung-wu, Granddaughter of Mr. Chang Chien, famous scholar, statesman and industrialist of Nantungchow, was recently killed in action when the Chinese guerillas, with whom she had joined, clashed with Japanese troops on the Shanghai-Nanking railway, according to Chinese reports.

A special funeral ceremony, add the reports, has been arranged for December 28 by her comrades.—Reuter

Chinese Establish Coal Mining Company

Chungking, Dec. 22.

The Chinese Government, according to Chinese reports received here today, has established a national coal mining company with Mr. Oong Wen-hao, Minister of Economic Affairs, as president, and Mr. Lu Tso-fu, Vice-Minister of Communications, as vice-president.

The company, add the reports, will develop four coal mines at Pingshan and Weiyuan, in south Szechuen province, and at Chaochua and Weiyuan, in south Szechuen province, respectively.

The capital of the company, the reports declare, will, for the most part, be supplied by the Government but shares will also be available to the public.—Reuter.

Rear Admiral Sugiyama Commands on Yangtze

Hankow, Dec. 24.

Rear-Admiral Rokuzo Sugiyama, formerly Chief of Staff of the Japanese China Seas Fleet, assumed his duties as Commander-in-Chief of the Japanese Yangtze Flotilla here relieving Rear-Admiral Eijiro Kondo at a simple ceremony aboard his flagship anchored off Hankow at 7.30 o'clock this morning. Following the ceremony Rear-Admiral Kondo left by airplane for Japan.—Domei.

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Tsingtao Trade Conditions

Obstacles Employed by the Japanese Authorities Against British Shipping and Trade of Port

THE following extracts from reports covering the last few months received from Tsingtao clearly indicate the serious and unnecessary disabilities and restrictions under which foreign traders have been and are attempting to carry on their lawful avocations states the "British Chamber of Commerce Journal," in its December issue. The extracts given speak for themselves. Comment is superfluous!

Every possible obstacle and/or device imaginable has been, and continues to be, employed by the Japanese authorities to prevent British and neutral shipping from securing the same amenities afforded to Japanese vessels at Tsingtao. For years past British shipping, on both coastal and ocean routes, has held a predominant position in the export and import trade of Tsingtao, and it seems obvious from the tactics employed by the Japanese authorities that their objective is to oust these very important British interests here to the benefit of themselves.

The entrance to the Great Harbour, where all the Wharves and Warehouses are situated, was closed by a boom on December 18 last by the Chinese authorities before the local Government evacuated. Following the entry of the Japanese on January 10 this year, measures were taken to remove the obstructions, and while all have not yet been removed, the passage in and out of the Great Harbour has been possible for coastal vessels from March 1 and from June 1 for ocean going vessels regardless of their tonnage.

Notwithstanding that Japanese merchant vessels have been given full use of the Wharves, as early as July 1938, British merchant vessels from the very outset have been prevented—and this embargo is still in force at present—access to the Great Harbour by the Japanese Naval authorities in spite of requests and individual protests against this arbitrary action on their part is still denied. Captain Ozada—then Chief of the Japanese Naval Mission—in March last stated when pressed for information as to when British vessels would be permitted Wharf facilities that British shipping interests should have a little more patience" much emphasis was placed on the word "little." It seemed probable that these facilities would be available in May. It is now December and no change in the situation has taken place despite frequent and reiterated requests by British Shipping Companies to the Naval authorities to allow their vessels the amenities of the Great Harbour. Commander Tori—temporarily in charge of the Naval Mission—stated on November 10 that their policy had not altered and he declined to state a date when British vessels would be permitted the use of the Great Harbour nor would he give any reasons why this discrimination was being exercised. The Japanese Army Mission have no longer any objections and the Harbour authorities have definitely stated they are in a position to provide British vessels with accommodation at the Wharves, but the main obstacle to opening the Wharves to British steamers is probably the large profits being obtained by the Japanese monopoly Lighter and Transport Company, who maintain the sole right to operate the loading and unloading of British steamers. This matter has also been the subject of protests.

General Trade

Matters have now reached the stage where the Japanese have effected a complete stoppage of all British exports from Tsingtao against new contracts, unless such contracts are financed through the Japanese Banks or in Yen.

Exports financed through the British banks in Tsingtao by means of Chinese National Currency are not now permitted. It has been suggested, though not in writing, by the Japanese Consul that exporters could export to Shanghai by means of Yen drafts drawn on Shanghai, the exporters disposing of their goods from there as they think fit, and negotiating these Yen drafts through the foreign banks. Such a procedure is in effect the same as negotiating bills through the Yokohama Specie Bank as the Yen is not on a par with Chinese National Currency Dollars. The official quotation of the Yokohama Specie Bank for 4 m/s credit bills on London is 1/23/32d. whereas at the present time the Chinese National Currency Dollar quotation for similar bills is about 2½d. To do business on a Yen basis, therefore, involves the exporter in considerable loss as the official quotation is much lower than the open market rate prevailing here, at Tientsin and at Shanghai.

The action of the authorities amounts to exchange control which in turn gives control of trade and commercial enterprise with consequent hindrance to free competition between Japanese and Third Power nationals.

Discrimination, therefore, appears to be made against British banking and trade, which, owing to the various restrictions imposed upon our nationals by the Japanese, are slowly being strangled.

In August, 1938, the Japanese Naval Mission wished to be in possession of details of all contracts for export already concluded and exporters complied with their request. The egg industry was the only one which was able to register long dated contracts, and they are still permitted to ship against those registrations, thus the value of Tsingtao export trade figures will show returns which the Japanese will use as a lever to indicate that British trade has not been unduly affected, but even in this connection it is reported that similar restrictions and a possible monopoly will be applied to this commodity. The fact remains that with the exception of eggs not a single package is permitted to leave this port unless financed by an inoperative scheme through the Japanese banks.

Japanese Monopolies

The Japanese are endeavouring, by every means at their disposal, to gain control of all worth while Chinese industries, which must inevitably detrimentally affect British trade. To give an idea of the progress already made by the Japanese authorities in their monopoly programme we list a few of these monopolies with pertinent remarks on each.

Leather, Hides and Furs.—No Chinese tanneries are now permitted to operate without permission from the Japanese authorities, who have employed the manager of the former Tokosuki Yoko to check up all stocks of leather, hides, etc., now in the hands of Chinese tanneries for eventual sale to the Japanese Military authorities at less than one-third of the market price quoted before the "incident." The Chinese Maritime Customs acting under orders from the Provisional Government have prohibited the export of hides, etc. (see Customs Notification No. 733 of 3.8.'38).

This action by the Japanese not only excludes British exporters from this trade, but must seriously affect the sale of British tanning materials which are now imported from the British Colonies.

Matches.—Only such Chinese match factories as have agreed to Japanese nationals participating, with a controlling interest, are permitted to operate their factories. Under an order issued by the Peiping Provisional Government dated October 27, 1938, no matches may now be sold in North China except through a special office set up for this purpose. This same order prevents any new match factories from operating. The yearly output of matches in China amounts to 200,000 tons, according to a recent statement by the Japanese authorities, of which 80,000 tons are produced in Shantung.

Flour Mills.—All Chinese operated flour mills have been taken over by the Japanese, either by outright purchase at Japanese valuation or with a Japanese controlling interest. Similarly, difficulties are being placed in the way of British wholesalers in marketing flour; i.e. Australia and Canada will be affected.

Harbour Lighterage.—British ships are excluded from the use of the wharves and a monopoly has been created by the Japanese in the transport of goods to and from British steamers. The rates charged by this monopoly are 300/450 per cent. higher than those which could be obtained by individual firms when making their own arrangements. This difference in cost now goes to swell the profits of the monopoly. Lighter men obtain about 30 per cent. of the amounts charged to importers.

These high rates are detrimental to British traders as they increase prices of their imported goods, while Japanese traders have free use of the local wharves where considerably less is paid out in handling charges.

Bus Service.—The Japanese bus service has been granted a monopoly in Tsingtao. The buses were imported free of duty shortly after the Japanese occupied Tsingtao, and were considered as replacements of property damaged by the Chinese authorities upon their evacuation from Tsingtao. The former bus company was owned and operated by Chinese.

Railway Traffic.—As soon as the Kiao-Tsi Railway was opened to public traffic a monopoly transport company was formed, and any concern requiring to make use of the railway made their applications to this monopoly or its registered forwarding agents. The arrangements resulted in such considerable confusion that changes have now been made so that it is possible for unregistered firms to handle their own shipments.

Purchase of Tobacco Leaf.—All firms who desire to purchase tobacco leaf in the areas near the Kiao-Tsi Railway zone are now required to register themselves with the Japanese Army Special Mission, which requires them to undertake to make use of the Federal Bank Currency only. Purchases made by a non-registered concern will be confiscated upon arrival in Tsingtao.

Cotton Weaving, Spinning and Dying Works.—These concerns throughout the province have been taken over by the Japanese in a similar manner to all other industries. Purchases of raw materials, such as chemicals, dyes, starches, etc., are now being confined to Japanese products in so far as such items can be manufactured in Japan, thus leaving very little scope for British traders in these lines, which were in former times of considerable interest to British firms.

Chinese Newspapers.—All plants have been taken over by the Japanese either by confiscation or the payment of a fraction of the cost price, and are being used for propaganda against British interests.

Currency and Exchange.—Strenuous endeavours are being made by the authorities to make the use of Federal Reserve Bank notes become general throughout the province. British banks have been picketed and the Chinese have been ordered to withdraw their deposits therefrom. The currency is worthless and cannot be accepted for the purchase of foreign currencies, but attempts are being made to force British traders to use this currency and to finance their export trade through Japanese banks, failing which the Japanese Special Naval Mission refuse to grant permits to cover the export of goods.

These few examples indicate the extent to which the Japanese authorities have obtained a strangle hold on the trade of this port.

Japanese Warships Off Pakhoi

Hongkong, Dec. 23.

The sudden appearance off Pakhoi of more than 100 Japanese warships, including armed cutters and transport ships, is reported here this morning from Chinese sources. The general opinion here is that this means that the Japanese have decided to make their long expected assault on Pakhoi with the object of penetrating from there into the province of Kwangsi. Martial law has been proclaimed in Pakhoi.—Trans-Ocean.

Japanese Aid Church In Kaifeng

Peiping, Dec. 23.

Japanese military authorities in Kaifeng yesterday made a Y.7,000 grant to the Catholic Church there in the form of a solatium for the damage inflicted upon the premises during a Japanese air raid in June when the city was being attacked, it was announced here today.

The Italian fathers, in charge of the church, played an important part in extending relief to Chinese civilians and to hasten the restoration of peace and order after the Japanese occupation, Japanese officers said.—Domei.

Trains Run Into Hunan Province from Wuchang

Wuchang, Dec. 21.

Japanese engineers yesterday started operating trains between Wuchang and Yanglowsze in Hunan province, a distance of 150 kilometres.

The commander of the engineers corps and a large crowd of people gave the first train a send-off at 8 o'clock yesterday morning. Trains will leave Wuchang at 8 o'clock in the morning and Yanglowsze at 6 a.m., each running once a day and taking 10 hours for the trip.—Domei.

North China's New Government

Desire to Establish "Elder" Statesman as Executive to Popularize Administration

This is the second of a series of articles, written by Mr. W. Lewisohn, Peiping correspondent of the "North-China Daily News," on conditions in North China, since his return from abroad. The first appeared on December 14.

Peiping, Dec. 6.

In my previous article I mentioned the view held in some circles that the Japanese would be unable to suppress the guerillas and maintain a hold on North China, unless they increased their garrisons all over the countryside to a very considerable extent. Such a policy might prove extremely costly and might not be very popular in Japan.

A simpler and less costly approach to the problem is being sought by the Japanese. They believe that, if a Chinese government could be set up for North China with some popular personage at its head around whom public opinion would rally, then the countryside would turn against the guerillas and conditions rapidly return to normal.

Certain foreigners who have resided here for a number of years are of the opinion that such a solution is quite feasible. They point out that it would be merely reverting to the situation that existed in the Twenties when a *de jure* Chinese government in the north was fighting a revolutionary government in the south. Such a view, however, would seem to leave out of account that conditions in China have altered very considerably in the meantime. In the Twenties it was a direct struggle between north and south, Chinese versus Chinese.

But much has happened in the last fifteen years. Chinese national feeling has grown enormously and has not in any way been lessened by the events of the last sixteen months. It seems slightly optimistic to hope that the clock could be put back quite so easily and that the populace of North China would rally quite so enthusiastically round a government which it knew was taking its orders from Japan.

Two Japanese Parties

Anyhow that seems to be latest Japanese plan, which is not so very new after all. For it is the same idea that Gen. Doihara has been repeatedly trying to carry into execution ever since 1931. During the last few months an intense struggle is said to have been going on behind the scenes in Japanese military circles between two parties with two opposite sets of ideas. On the one hand, there is this plan of Gen. Doihara for an independent state of North China (probably to be called Huapeikuo) leaving the other parts of China with their own separate governments.

On the other, is the plan of Colonel Kiat supported by Lieut.-Gen. Terauchi, Commander-in-Chief in North China and the patron of the Young Officer party, which sponsors a Federal Government for the whole of China with Wang Keh-min as chief executive. As it is now reported that Gen. Terauchi has been recalled and Gen. Sugiyama, a patron of Doihara, has taken his place, it looks as if the latter's plan had won the day in Tokyo.

Bargain Counters

Curiously enough, some quarters here believe that this plan has won out on account of its moderation. It is argued that, in the admittedly very improbable event of Japan being unable to bring the war to a completely satisfactory conclusion and to dominate the whole of China, she could still hold on to North China and come to terms by using the other temporary governments in South China and the Yangtze Valley as bargain counters.

Whereas, if she had once formed a federal government for the whole of China, she would be unable to retreat at all without complete loss of prestige. Other observers, however, are probably nearer the mark, when they ascribe the triumph of Gen. Doihara's plans, less to their moderation, than to the unwillingness of Japanese commanders in other parts of China to have their powers limited by the establishment of a central government ruling from Peiping.

The immediate difficulty of Gen. Doihara's plan has been, as always, to find a suitable person for the post of chief executive of the new state. Unless a really outstanding personage could be found round whom popular opinion was likely to rally, there would be little chance of the new state proving any more successful than under the present stopgap government. He is said to have had two candidates in mind: Gens. Wu Pei-fu and Chin Yün-peng. Gen. Wu is, of course, much the more famous character and would be the greatly preferred choice. Once upon a time he played an important part on the Chinese political stage and, until his defeat and eclipse in 1927,

The Japanese may still fall back on Gen. Chin Yün-peng. But he is a person of little weight and is almost unknown to the general public; his chief claim to fame being that he was Premier for a few months under one of the Northern administrations in 1920-21. If he or some other second-rate person were to become head of the new state, the position would not be much altered from what it is at present, and the pacification of the north will not have been brought any nearer.

Yunnan Unable to Cope With China Imports

Tokyo, Dec. 23.

Freight and mail destined for the interior of China are over-taxing all available storage space at Yunnanfu, capital of Yunnan province, which is faced with an acute shortage of transportation facilities, a report reaching here quoting a recent arrival at Hanoi said today.

Theatres have been commandeered and converted into warehouses to store excess freight which has been accumulating since the early part of this month, the report said. Mail matter alone at Yunnanfu was reported to total more than 4,000 tons.

The congestion, the report explained, was caused by the scarcity of motor lorries. While Gen. Chiang Kai-shek had planned to import 8,000 trucks following the fall of Canton and the collapse of the Wuhan defences, so far only 100 trucks have been imported through French Indo-China ports each month. This, the report said, could hardly meet the demand.

Fully three days are required to unload one train load of goods because of insufficient trucks, the message said.—Domei.

Town Populations in N. China Grow

Tokyo, Dec. 21.

Indicative of the rapid restoration to normal conditions along the five major railway lines in North China, comparative figures reaching here today from Peiping showed that several towns had bigger populations than prior to the outbreak of the hostilities. Tabulated, the data was as follows:—

	Present	Pre-conflict
Tientsin-Pukow Railway zone—		
Tangkwantun	11,500	12,000
Yenshan	25,000	10,000
Tsanghsien	41,000	33,000
Tsaochwang	35,000	50,000
Tsinan	428,360	443,031
Lunghai Railway zone—		
Hsuchow	102,300	130,000
Kaifeng	243,000	300,000
Suhsien	12,250	30,000
Shantung Railway zone—		
Tsingtao	491,000	570,607
Wihsien	116,820	122,177
Peiping-Hankow Railway zone—		
Shihchiachwang	81,002	80,000
Changte	59,250	58,000
Sinsiang	29,820	29,000
Shansi Railway zone—		
Taiyuan	160,100	13,000
Chaocheng	5,166	6,505
Yuncheng	10,500	15,000

—Domei.

Manchoukuo Mausoleum Dedicated

Mukden, Dec. 26.

A dedication ceremony at the Manchuria Mausoleum, which was built in a northern suburb of this city at a cost of Y.105,000, was held yesterday afternoon with more than 300 persons representing Japanese, Manchurian and Mongolian authorities in attendance.

The mausoleum has enshrined soldiers killed in the Sino-Japanese and Russo-Japanese Wars of 1894-5 and 1904-5 and the Manchurian incident of 1931, and staff members of the South Manchuria Railway who died while on duty on the continent.—Domei.

Manchoukuo Border Commission

Changchun Dec. 26.

To discuss border problems, especially those regarding reinforcement of border defences, a conference was held at the Japan-Manchuria Hall here yesterday afternoon under the joint auspices of the Japanese Kwantung Army, the Manchoukuo Government and several "national policy" companies.—Domei.

Mr. Yu Ta-fu, well-known Chinese novelist and essayist, has accepted the invitation of Mr. Aw Boon-haw, Singapore multimillionaire, to become Chief Editor of the "Sin Chew Jit Pao" owned and published by the latter in Singapore, says a report to the "Morning Leader." Mr. Yu will resign from his counsellorship in the Fukien Provincial Government and leave for Singapore shortly, the report adds.

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NEWS FROM JAPAN

Japan's Peace Terms Offered

Willing to Abandon Extraterritorial Rights For Garrison Rights ; Manchoukuo Recognition

Tokyo, Dec. 22.

JAPAN is willing to abandon extraterritoriality in China, but China must recognize Manchoukuo and join the anti-Comintern front, Prince Fumimaro Konoye, the Premier, said today in announcing the Japanese Government's new China policy.

He said that China must also agree to the stationing of Japanese troops and extend facilities to Japan for the economic development of China, particularly North China and Inner Mongolia.—United Press.

No Economic Monopoly

Tokyo, Dec. 22.

In connection with the Sino-Japanese anti-Comintern Pact, Prince Konoye's statement said that Japan, in this respect, demanded that Japanese troops be stationed in specified points as long as the Pact was in force.

Regarding economic co-operation, Prince Konoye stated that Japan did not intend to exercise economic monopoly in China nor to demand that China limit the interests of third Powers, "who will grasp the meaning of a new East Asia and will be willing to act accordingly."

Furthermore, the statement declared that "Japan not only respects the sovereignty of China, but she is prepared to give positive consideration to questions of abolition of extrality and rendition of Concessions and Settlements—matters which are necessary for the full independence of China."—Reuter.

Aims Queried

Tokyo, Dec. 23.

A Foreign Office spokesman at the press conference today made evasive answers to requests for a clarification of the statement made last night by Prince Konoye, Premier, in which he laid down the guiding principles in the readjustment of relations between Japan and new China.

The statement, said the spokesman, was clear if the correspondents read between the lines.

He declined to say to whom the statement was addressed, or whether the reference to the "anti-Japanese Kuomintang Government," implied an expression of Japan's willingness to deal with a pro-Japanese Kuomintang Government.

The spokesman also refused to explain the paradox of the statement made by Mr. Hachiro Arita, Foreign Minister, on December 19, that "economic activities of other Powers in China should be subject to certain restrictions" with Prince Konoye's statement that "Japan does not intend to demand China to limit her interests to those powers who grasp the meaning of a new East Asia and are willing to act accordingly."

In his statement last night, Prince Konoye stated that Japan did not intend to exercise economic monopoly in China.

"Furthermore," he said, "Japan not only respects the sovereignty of China, but is prepared to give positive consideration to questions of abolition of extrality and rendition of Concessions and Settlements—matters which are necessary for the full independence of China."—Reuter.

Washington Silent

Washington, Dec. 22.

Mr. Sumner Welles, acting Secretary of State, today declined to comment on the statement made by the Japanese Premier, Prince Konoye, in Tokyo today. He said that he could not offer any comment until he had received the official version of the statement.

Meanwhile unofficial Washington circles considered that the newest aspect of the situation revealed by the Japanese Premier's statement was the projected abandonment of extraterritorial rights in China, provided China entered into an accord with Japan. The belief was generally expressed that the United States would oppose this proposal as strongly as she did Japan's larger policy of "Asia for the Asiatics."

These circles maintained that the United States would probably regard the plan as a part of the Japanese attempt to gain exclusive and complete control of China, instead of liberating the Chinese people from admittedly un-ideal restrictions under which they have labored in years past.

Some observers contended that it was paradoxical for Japan to propose to free China from small foreign concessions while proposing herself to station soldiers throughout all China and while proposing to obtain for herself special new economic advantages from China.

Pact Quoted

It was pointed out the United States' programme to free China from extraterritorial restrictions was incorporated in the Nine Power Treaty. In this past the Powers agreed to keep hands off China, thus enabling her to become internally strong enough to obviate the necessity for extraterritoriality.

It was contended here that Japan's by the military occupation of China, had interfered with China's progress and violated the Nine Power Treaty in so doing.

Some observers linked Prince Konoye's statement with Japan's reported indignation over the recent United States extension of credits to China. They speculated whether it was not the object of the Premier's speech to suggest indirectly retaliatory measures which Japan could take if the United States and Great Britain extended further loans to China. It was not believed here, however, that Prince Konoye's statement would alter the attitudes of Washington and London, because Japan was regarded as having already curtailed Occidental commercial activities to such an extent that any further curtailments would not cause any increased anxiety.—United Press.

London Surprised

London, Dec. 22.

British politicians, including those convinced of Japan's almost unlimited ambitions in China, were surprised tonight by the declaration of Tokyo's China policy made by the Premier, Prince Konoye.

They declared that General Chiang Kai-shek cannot accept the Anti-Comintern Pact and pointed out that his Government is the only one recognized by Great Britain.

Prince Konoye, they stated in explanation of their comments, said that Japan does not intend to establish an economic monopoly in China and that she does not intend to demand China's limitation of third Powers' interests.

Diplomats asserted, however, that Japanese aims in China are so evident that it is surprising Tokyo pretends to cope with the Communist danger by the establishment of Japanese garrisons in China. The conquest of China is far from being concluded, they also added.

British circles were chiefly preoccupied tonight with Prince Konoye's statement concerning foreign interests in China. The competent quarters here understood it to mean that Japan would only respect the foreign interests of those powers willing to participate in the economic organization of China as conceived by Japan.

Ironical Situation

They pointed out that in their view this could be the only meaning of the Japanese Premier's words that Japan would not hinder the interests of "powers which have grasped the meaning of a new Asia and which are willing to act accordingly."

Political circles considered the irony of the situation still greater when Japan proposes "to free China of her foreign settlements" in order to prove Japan's own good faith and desire to respect Chinese independence.

They added that it was strange for the country which was invading China and imposing military garrisons on her, to consider foreign settlements contrary to China's independence.

British quarters were waiting this evening to see how Japan herself would understand Prince Konoye's words with regard to foreign interests in China.

Since the last conversations between Sir Robert Craigie, British Ambassador to Japan, and Tokyo's Foreign Minister, Mr. Hachiro Arita, the competent circles here have expressed anxiety and it is understood the British Government are only waiting for Sir Robert's report before deciding whether they should make another demarche to Tokyo.—Havas.

Paris Expected It

Paris, Dec. 22.

Diplomatic quarters here registered no surprise tonight over the declaration upon Japan's China policy made by Prince Konoye.

They declared that they were "perfectly aware that Japanese action aims to give Germany and Italy, both signatories of the Anti-Comintern Pact with Japan, preferential treatment in the economic organization of China as conceived by Tokyo."

These circles showed no astonishment over the Japanese Premier's statement that Japan intended to exercise no economic monopoly in China and that she did not intend to demand the Chinese Government's limitation of third powers' interests.—Havas.

"Not Strong Enough"

Tokyo, Dec. 23.

Japan's policy is to save China from the influences of the western Powers the "Kokumin Shimbun" declared today. This principle, the daily asserted, embodied the keynote of the Japanese Government's Far Eastern diplomacy.

Failure of the government to enunciate clearly Japan's views regarding the whole of China was deplored by the newspaper in commenting on the Premier, Prince Konoye's, statement in connection with the government's policy for the readjustment of its relations with China.

The statement, in the opinion of the "Kokumin," merely emphasized Japan's special economic and political position in North China and Inner Mongolia. Such a statement, the journal pointed out, was far from letting the people know exactly what they wanted to know. Misinterpretations of the government's intention were feared by the daily.

The newspaper expressed the hope that the government would "translate into effective action" this policy by bringing to realization the present felt need of establishing relations between Japan and China as a modern state. Japan's real intentions were further attested in her refusal to seek war reparations from China the "Kokumin" said.—Domei.

Financiers Endorse Statement

Tokyo, Dec. 23.

Prince Konoye's statement last night was received favourably today by financial leaders, who expressed gratification over the "definite terms laid down by the Premier for a final settlement of the China incident."

They said two previous government statements stressed Japan's military operations in China for the overthrow of Gen. Chiang Kai-shek's regime, but that the new statement "candidly enunciates Japan's terms for a settlement of the incident."

Financial circles upheld these terms as being "reasonable." They expressed the belief that some time must pass before the conflict can be settled, but hoped that the Premier's statement will be instrumental in hastening it, "enunciating as it does a definite basic policy for a final settlement."—Domei.

German Press Comments

Berlin, Dec. 23.

Some of the privileges of other States in China, against which China herself has protested again and again—particularly International Concessions in important centres—must be abolished, says the "Voelkischer Beobachter" today, in commenting on the latest statement of Japan's policy.

The most difficult obstacle, adds the paper, is the attitude of the Chinese population, which is apparently unchanged by the war.

The "Berliner Tageblatt" says the statement proclaims a decision to abolish dissension and enmity and to put in their place a community of Far Eastern nations, which "politically, economically and racially, will stand much more strongly than the Monroe Doctrine."—Reuter.

Terms "Astonishing"

Tokyo, Dec. 24.

Japan's terms for a settlement of the Sino-Japanese conflict are "astonishing" in their generosity, which has "no parallel in world history" the "Tokyo Nichi-Nichi" declared editorially yesterday commenting upon the Premier, Prince Konoye's statement of Thursday.

"The reason for such generosity," the daily declared "is because Japan has only the revival of East Asia in mind. She differs there in her attitude towards China with European and American Powers which regard China as a proper object of their voracity."

Describing China as the brother of Japan, the newspaper claimed that the latter was trying to bring back her errant relative "to the honourable way that leads to eternal peace and prosperity in East Asia."—Domei.

New East Asia

Nanking, Dec. 24.

Participation in the enterprise of building a new East Asia was offered by the Japanese Expeditionary Force in Central China to all Chinese, regardless of political colouring, in a statement issued here last night.

"The Japanese military command is always prepared to receive and shake hands with anyone whether or not affiliated with the Kuomintang or its armies, who are desirous of taking part in the huge task of reconstructing a new China," the statement read.

"For those emerging from the nightmare of futility and who have recognized the objectives of our sacred campaign, we are willing to accept our enemies of yesterday as our friends regardless of their previous stand."

The statement was issued in the form of a commentary to the manifesto of the Premier, Prince Konoye, at Tokyo on Thursday, setting forth the views of the Japanese command in China.

An Appropriate Measure

"The Government's statement elucidating the fundamental policies which will guide the readjustment of Japanese relations with a new China, is a most appropriate measure in view of the current situation.

"This, however, cannot be regarded as indicating any new developments occurring or any prospects of their taking place within the occupied areas of Central China," the statement said.

"Japanese forces are at present engaged in mopping-up operations against the Chinese troops remnants, who in the throes of their last breath, are about to be dealt a finishing blow.

"We are highly gratified with the work of the Reformed Government" composed of those very persons described in the Premier's statement as 'far-sighted Chinese who share in our ideals and aspirations'. It has in the last ten months accomplished much under the banner of anti-Communism and national salvation. We now find it about to take new large strides towards the creation of a new order, in concert with the "Provisional Government" of North China.

Nothing More to Be Done

"There is nothing more for the Japanese military forces here to accomplish other than firmly to assist those who share in our ideals and aspirations in their determination to push forward towards a bright future.

"In the light of successive formation of the Peace Maintenance Commissions within the Wuhan area, it is our earnest hope that their enterprise will be aided materially under the competent and safe administration of those enlightened persons.

"The Kuomintang Army command, which regarded Japan as an 'aggressor', behaved no better than an insatiable tyrant in misleading the innocent Chinese troops. It is undoubtedly at a loss to justify its traud in the face of the clear and just enunciation of Prince Konoye's statement."—Domei.

Changchun Will Co-operate

Changchun, Dec. 24.

Manchoukuo will give all possible support and co-operation in reconstructing East Asia and regulating diplomatic relations with a "reborn China," the spokesman of the Foreign Affairs Bureau of the Manchoukuo Government declared here yesterday in commenting on the statement issued by Prince Konoye in Tokyo on Thursday night.

"When the great work of East Asian reconstruction is being started we declare that the basic principle of Manchoukuo's foreign policy is to display to the fullest extent the true spirit underlying the inseparable alliance between Japan and Manchoukuo, which are of "one mind and one body," the spokesman said.

"We will co-operate with a new China in speedily building a new order in the spheres of politics, economics, and cultural works."—Domei.

Japanese Emperor Opens Diet

Tokyo, Dec. 26.

A request for approval of the ordinary and special budgets for 1939, in view of the "gravity of the present situation," was made in an Imperial Rescript today on the occasion of the formal opening, by the Emperor, of the 74th session of the Diet.

"Our officers and men," it added, "have conquered and pacified important areas in China by overcoming great difficulties. However, to establish a new order in East Asia and secure permanent peace in East Asia, it is necessary that the national spirit should be elevated and the unified strength of the nation displayed."—Reuter.

Indo-China to Have New Naval Base

Tokyo, Dec. 21.

According to reports reaching here from Hanoi, the French authorities in Indo-China have decided to establish a new naval base in the bay of Camranh on the Annam coast, about 800 kilometres south of Hanoi. The bay is to be protected by a series of coastal fortifications.—Trans-Ocean.

Japanese Aims in China Now Clear

Tokyo, Dec. 20.

Commenting on the statement made by Mr. Hachiro Arita, Japanese Foreign Minister, to foreign correspondents yesterday, the American-owned "Japan Advertiser" remarks that the prepared official statement of Japan's policy governng the establishment of a "new order in Asia;" is important because it is the first official elaboration on this subject, although the main lines are already well-known.

In Mr. Arita's reiteration of "Japan's inflexible resolution to carry out her policy," the "Japan Advertiser" points out, the Foreign Minister officially explains, for the first time, the relation of Japan and the new tri-partite bloc with other world Powers, stressing that other world Powers would be subjected to certain restrictions dictated by the requirements of national defence and economic security of the countries under the "new order."

From the viewpoint of those Powers, says the paper, Mr. Arita's statement that Japan believes in equality of opportunity must be regarded as at "variance with his subsequent explanation that 'restrictions' are to be applied to other Powers in so far as their economic activities are concerned in relation to national defence and security of the new tri-partite bloc."

"The far-reaching changes envisaged," the paper continues, "were revealed by Mr. Arita's remarks that he expected New China would gradually seek abolition of extraterritoriality, foreign concessions and lease holds.

Meanwhile, "Mr. Arita's verbal statement in relation to the reported British and American loans to the Chiang Kai-shek regime, is one of the most outspoken ever made by any Japanese Foreign Minister to foreign correspondents."

The "Japan Advertiser" concludes with the statement that Mr. Arita is an exponent of a positive policy, which the Powers interested in China will watch with increasing concern.—Reuter.

New Anti-British Threat In Tokyo Press

Tokyo, Dec. 22.

A demand that "all the symbols of British Imperialism should be obliterated in Asia," is made by the Japanese newspaper "Kokumin Shimbun" today, in commenting on reports of proposed British or American loans to China.

The paper says that a section of Japanese Government circles tends to regard such proposals as "demonstrating the impossibility of making Great Britain and America sympathetically to understand Japan's national aspirations and real intentions, however hard Japan may try to explain them.

"Consequently," the journal adds, "Japan's policy towards East Asia must, henceforth, be carried out vigorously and forcefully, with the object of obliterating all symbols of British Imperialism not only in the Far East, but in Asia."—Reuter.

German Comment

Berlin, Dec. 22.

The possibility of an anti-Chinese and anti-Soviet feeling among the Moslem populations of Central Asia and Turkestan materializing with Japan's help was referred to in an article published in the "Voelkischer Beobachter today, from its Far Eastern correspondent.

The correspondent declared that Japanese interests in the Far East are by no means limited to Sinkiang province but involve all populations living from the Dardanelles to the Yellow River, limited in the North by Soviet Russia, and in the South by lands under British influence.

He pointed out that most of these populations are Moslems, and that Japan, through political interests, even favoured pro-Islamic propaganda in her own land.

He asserted that the Moslems of Urumchi are alleged to be highly hostile to Moscow and to General Chiang Kai-shek. This is so also in Tsinghai, Kansu, and Ninghsia, he added and stated that Generals Ma Pu-kang, Ma Pu-shing, and Ma Hung-kwei, all Moslems who depend upon the Chinese Government, are really "autocrats acting as they please." They are in a position, he added, "to cut at any time the most important communication lines between China and Soviet Russia."

The possibility is not discarded, he continued, of a new revolt starting one day in Sinkiang; although the Moslem chiefs are not pro-Japanese "it is possible that they might accept Japanese help to recover their independence."—Havas.

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Yangtze Situation Reviewed

Accusation of Japanese Sham Tactics Denied By Naval Spokesman; Comment on Fisheries

By PERCY WHITEING
"N.C.D.N." Special Correspondent in Japan

Tokyo, Dec. 15.

CONSIDERABLE umbrage has been taken by naval circles here from statements disparaging to the Japanese navy reported to have been made on his arrival in Shanghai by an American naval officer who was on the gunboat Luzon on her recent trip down the Yangtze.

When the American warship made her voyage from Hankow to Shanghai, it was announced at the Navy Ministry here that extreme precautions had been taken to protect her from any harm, as she was being escorted by Japanese naval planes and destroyers, as well as preceded by minesweepers all the way down the river.

The American officer, however referred to (whose name has been withheld here so far) is said to have stated in Shanghai that on the way down the Yangtze the minesweepers were pretending to sweep mines where there were none to sweep, and the destroyers were shooting guns and machine-guns at imaginary enemies along the river banks, it was announced by Capt. Miyazaki, on behalf of Rear-Admiral Kanazawa, Navy spokesman, at an interview with foreign news correspondents at the Navy Ministry this morning.

Capt. Miyazaki told the "North-China Daily News" correspondent that this had been learnt from the Japanese ambassador in London, Mr. Mamoru Shigemitsu. He had cabled the Foreign Office in Tokyo that these statements had appeared in a London newspaper, as having been cabled from its correspondent in Shanghai. The same report also had appeared in a Shanghai newspaper (not the "North-China Daily News), he added.

The impression gained by the Navy Ministry here is that these statements were made with the intention of accusing the Japanese Navy of going through the motions of sweeping up non-existent mines and firing at non-existent guerrillas along the river banks for the purpose of making a show that dangers to navigation exist where in reality there are none, with a view to bolstering up the Japanese contention that it is impracticable as yet to allow general trading along the river by foreign mercantile vessels.

Regret Derogatory Remarks

The naval vessels which formed the escort have not reported that they took any such action, Capt. Miyazaki said. "We greatly regret such derogatory remarks about our navy by an officer of the United States navy," he continued, "as they are calculated to spoil the friendship between the two navies and react unfavourably on our own personnel. We were doing our best to show kindness and courtesy, even in a small way, to the American Navy, and cannot help but think this is rather poor thanks for our efforts."

He added that the matter is being taken up by the Japanese Foreign Office with the American naval headquarters in Shanghai. (In response to a subsequent inquiry by the "North-China Daily News" correspondent, the Foreign Office spokesman said that inquiries are being instituted, with a view to making representations to the American authorities in Shanghai).

Capt. Miyazaki said that it has been found necessary to continue the operations of the minesweepers along the river because there is no way of knowing when or where the Chinese mines appear. With the continued fall of the water in the Yangtze these mines keep bobbing up from time and present a persistent menace to navigation.

Whether the Chinese are still sending down fresh mines or not, he said, it has not been possible to ascertain with any certainty. It is believed, however, that the lower part of the Yangtze, on which foreign vessels are allowed to navigate, is free from mines. The depth of the Yangtze at Hankow is now about 15 to 16 feet, as compared with high water of about 48 feet in the summer, and is continuing to fall, he added.

Commenting on renewed reports that the American navy is preparing to construct capital ships of 40,000 to 45,000 tons, Capt. Miyazaki said there are so many rumours about naval building abroad that "we don't know what to believe, but we have our own plans which we are confident are sufficient to cope with any development—though naturally we are not going to disclose them now."

Soviet-Japanese Dispute

Opinion here continues to be extremely puzzled by the attitude of the Soviet Government toward the Japanese fishing rights along the Siberian coast, which, as reported here, seems designed to provoke the Japanese.

Not only have the Soviets refused to agree to a permanent agreement covering these fisheries, but as a preliminary to putting a temporary modus vivendi into effect for the coming year, have demanded that Japan relinquish from 75 to 80 per cent. of the fishing lots that she now holds. The reported reason is that the corresponding parts of the Siberian seaboard are needed for military purposes, and this is regarded as a very bold, if not impudent, stand for the Russians to take.

It is wondered whether they are actually trying to goad the Japanese into war, though the general opinion here is that the Russians, owing to their internal conditions, specially in the Red army, are hardly able to wage a successful war with Japan, particularly as they face the likely prospect of having to fight Germany at the other end, at the same time.

Another thesis is that the Soviets are trying to create a diversion against Japan in connection with the latter's China war, as well as encouraging the Chinese Reds at the same time, in response to the latter's constant appeals for more and better assistance in their struggle with Japan. This was the reasoning applied also to the Changkaofeng incident in the summer of this year, in part, at any rate.

Japan Cannot Accede

It is hardly necessary to say that Japan cannot accede to any such demand as to give up three-quarters or more of her fishing rights along the Siberian coast. The spokesman of the Foreign Office, Mr Tatsuo Kawai, declared yesterday that "We have no idea of accepting such a proposal, as fundamentally, under the stipulations of the Portsmouth Treaty, Japan holds the concession of the fisheries along the Siberian coast, excepting such fishing grounds as were held by the Russians, and other foreigners, at that time (1906)."

He said that at the present time the total number of these fishing grounds held by the Japanese is 386, while the Russians hold 402. The value and size of these lots vary considerably. The Japanese fishermen engaged in this industry number about 30,000, and the yearly value of the products, mainly salmon and crab, runs into Y50,000,000. While some is consumed in Japan, the bulk of the products are exported to England.

These Siberian fisheries are a part of the spoils of the Russo-Japanese War (1904-1906), and except those lots being worked by the Russians (and others if any) should belong to Japan, under the basic treaty. Mr. Kawai said that the Soviets cleverly instituted a system of yearly auctions, for the right to use the fishing grounds, in which they can bid any price they like because they only pay out of one pocket into the other as the whole thing is under control of the Soviet Government. The Japanese bidders, on the contrary, are private companies and have no such system to fall back on, and can only bid on a competitive basis in connection with world markets for such products.

Elbowing Japanese Out

The result is that the Soviets by these tactics and by continually refusing, under one pretext or another, to come to a permanent and comprehensive agreement to put the matter on a sound basis, have during several years past been elbowing the Japanese little by little out of the best fishing grounds. A frequent bone of contention has been the exchange rate as between the Japanese yen and the Russian rouble. The Soviets have insisted on the value of the rouble on the basis of their own internal rate, while the Japanese claimed the rate should be that quoted in international exchange. Hitherto some sort of compromise has been patched up from year to year.

Not only that, but year in and year out the Soviet coastguard cutters have been interfering with Japanese fishing boats, frequently taking them and their crews into custody and holding them for weeks and sometimes months. This is not only a source of annoyance and inconvenience, but incurs the loss due to their being unable to carry on their industry. The Soviets usually give as the reason that the Japanese were poaching or spying inside Russian territorial waters. Involved in this is the Russian claim that their territorial waters extend for eight miles from the shoreline, whereas the Japanese adhere to the international standard of three miles.

The foregoing is the general aspect of the situation as seen from the Japanese point of view. Regardless of the rights and wrongs involved, it has been a constant and growing source of irritation to the Japanese for years and the question is, how much longer they can, or will put up with it without taking drastic action.

"Central Bank for East Asia"

Tokyo, Dec. 20.

The idea of establishing a new and powerful bank as the central banking organ of the yen-bloc countries, namely, Japan, Manchoukuo and China, with a capitalization of 10,000,000,000, is now gaining ground among influential bankers, businessmen and members of the Upper House, according to the "Nichi Nichi Shimbun" today.

According to the plan, the paper continues, the new bank will be named the "Central Bank of East Asia," and its establishment is aimed at smooth banking accommodation for the economic development and exploitation of the natural resources of Manchoukuo and China.

The "Nichi Nichi Shimbun" says that the Japanese Finance Ministry is giving serious consideration to this matter.—Reuter.

Japan Note Issue Grows

Tokyo, Dec. 20.

Agreement has been reached by officials of the Finance Ministry and the Bank of Japan to expand the securities reserve limit for note issues to Y.2,700,000,000 from the present figure of Y.2,700,000,000 by revising the necessary regulations, the "Hochi Shimbun" reported today.

The daily stated that the Finance Ministry will submit a government bill providing for the expansion of the securities reserve limit to the forthcoming session of the Diet.

At present the Bank of Japan is permitted to issue notes to the extent of Y.2,200,000,000 on the basis of a specie reserve of Y.500,000,000 and a security reserve amounting to Y1,700,000,000.—Domei.

Japanese Protest Borneo Action

Tokyo, Dec. 23.

A categorical protest is being contemplated by the Foreign Office in connection with reported acts of "oppression" and restriction against Japanese fishing and farming operations in British North Borneo, Domei was informed in semi-official quarters today.

British authorities in North Borneo were reported to be imposing "unwarranted restrictions" on Japanese on the grounds that the north-western part of the British colony is of no value to the Japanese and that the quality of the soil in the north-west is unsuitable for farming.

Japanese will not be allowed to enter the north-western areas of North Borneo if the Colonial Government confirms a decision of the board of directors of the North Borneo Company in London on Tuesday, it was reported.

The company authorities ruled that Japanese will be prohibited from engaging in fishing or farming activities, leasing or owning land in north-west Borneo, the report said. It was anticipated that the colony authorities would support the decision. Japan's vested rights in eastern Borneo will be recognized, according to the report. Eight hundred Japanese reside in the north-western coastal regions of Borneo.—Domei.

Indo-China Proves Chief Arms Route

Tokyo, Dec. 23.

Future military operations of the Gen. Chiang Kai-shek regime will depend almost entirely upon supplies of arms and ammunition from abroad received by way of a route through Indo-China to Yunnan, according to Rear-Admiral Kanazawa, Chief of the Publicity Bureau of the Navy Office.

Quoting reliable information, he said yesterday that arms transportation to Yunnan through Indo-China had shown a big increase since the fall of Canton.—Domei.

Japan Must Face Soviets

Tokyo, Dec. 22.

After this morning's regular meeting of Cabinet councellors, the Premier, Prince Konoye; the Foreign Minister, Mr. Hachiro Arita; the Navy Minister, Admiral Matsumasa Yonai, and the War Minister, General Spitchi Itagaki, conferred on the fishery negotiations between Japan and the U.S.S.R.

Developments in the negotiations were explained and also the conversations between the Japanese Ambassador in Moscow, Mr. Shingenori Togo, and the Soviet Foreign Commissar, M. Maxim Litvinoff, which failed to reach an agreement on the conclusion of the *modus vivendi*, and Mr. Arita, it is understood, then told the Premier and the Navy Minister that the Soviet Government had not only failed to manifest sincerity in a conclusion of the fishery convention, which was initialed by both countries two years ago, but proposed a *modus vivendi* which was designed seriously to injure and reduce Japanese fishery rights, without paying consideration to Japan's legitimate contention.

"So long as the Soviet Union persists in such bad faith and insincerity," Mr. Arita told Prince Konoye and Admiral Yonai, "Japan must face the situation with firm determination."—Reuter.

Japanese Navy Concerned

Tokyo, Dec. 22.

Naval authorities are watching the Russo-Japanese fishery negotiations with "deep concern" and will "certainly do their part in carrying out Japan's fixed national policies to protect Japan's rights and realize her legitimate claims, a Navy Office spokesman told foreign correspondents today. The situation has not yet reached a stage requiring an announcement regarding the attitude of the Navy towards so-called free fishing, he declared.—Domei.

Soviet-Japan Issue Still Deadlocked

Moscow, Dec. 23.

Soviet-Japanese negotiations upon the difficult fisheries question were still at a deadlock today after the eleventh interview between the Foreign Commissar, M. Maxim Litvinov, and M. Shigenori Togo, Japan's Ambassador to Russia, well-informed quarters asserted tonight.

During this latest meeting, M. Litvinov announced that his Government was ready to reduce from forty to thirty the number of fisheries to be closed to Japanese fishermen. M. Togo rejected this proposal, however, consenting to the closure of only twelve present fisheries and on condition that others be marked out in new waters.

Among ten new fishery sites proposed for Japanese fishermen, three would be located in the Japan Sea, it was stressed in political circles here. These quarters pointed out that Tokyo was now complaining that the Soviets were trying to drive them out of the Japan Sea.

According to the Portsmouth Treaty, it was recalled, Japanese fishery rights in the Okhotsk, Behring and Japan Seas were formally recognized.

M. Litvinov insisted during his latest interview with M. Togo that the auction system be maintained in the distribution of the fisheries among Japanese companies, it was further learned tonight.—Havas.

Tokyo Pessimistic

Tokyo, Dec. 23.

A wide divergence of views came to light in the seventh fishery conference of Moscow, the Foreign Office disclosed this afternoon.

The Foreign Office issued a statement outlining the conversation between Mr. Shingenori Togo, Japanese Ambassador to Moscow, and M. Maxim Litvinov, Soviet Foreign Affairs Commissar.

The Soviet Union persisted in its demand that the Hirota-Karakhan Agreement be repudiated and 40 stabilized fishery lots be excluded from Japanese operation "for strategic reasons." On the other hand, Japan held that the new fishery *modus vivendi* should be based on the *status quo*, the statement revealed.

It was understood that Mr. Togo was to see M. Litvinov either today or tomorrow for an eighth parley to seek a *modus vivendi* by December 31 when the existing temporary agreement will expire.

In Kobe the Chamber of Commerce and Industry issued the following statement:

"We cannot stand by silently in the insincere attitude on the part of the Soviet authorities on the Soviet-Japanese fishery treaty, and we earnestly hope that the Government will be determined to vindicate Japan's rights in this matter." The statement was sent to government officials by the chamber over the signature of Mr. Juzo Enami, President.—Domei.

Substitution of New Lots

Tokyo, Dec. 25.

Substitution of new fishery lots in the Soviet waters of the Japan Sea for the forty so-called stabilized fishery lots in which the Soviet Union recently refused to allow Japanese fishing was proposed by Mr. Shigenori Togo, Japanese Ambassador at Moscow, in his eighth conversation with M. Maxim Litvinov, Soviet Foreign Affairs Commissiar held on December 23, the Foreign Office revealed in a statement last night.

The Japanese envoy agreed to a partial surrender of the stabilized lots from which the Moscow Government felt necessary to exclude Japanese for "strategical reasons" provided the status quo were maintained in the remainder of the lots, the statement said.

Mr. Togo also requested that the contract term for the stabilized lots, with the exception of the forty affected by the new ruling, be extended for another year, while M. Litvinov is said to have insisted that the entire lots be submitted for auction.

M. Litvinov was further said to have told the Japanese envoy that it was "prepared to continue" the discussions next year.—Domei.

Japan's Army Credo For Asia Stated

Tokyo, Dec. 21.

Japan is ready to lead the world toward a new era of brotherly love, but if other nations choose opposition instead of co-operation Japan is prepared to blast her way to world leadership through force of arms.

That concept of Japan's role in the family of nations is presented by the nationalistic, patriotic organization known as "Shiunso," regarded here as reflecting to a large degree the views of the Japanese Army.

"In the whole universe there will be no nation nor people that Japan hates, the "Shiunso" declares in its latest pronouncement. "Japan may sometimes strike at those who do not submit, but such will be only a family affair and punishment will be given because we love them."

If other nations hold to what the "Shiunso" describes as their "utilitarian confrontation," Japan must do the same in Asia, the organization believed. That would mean "replacing he yrannic utilitarianism of other countries with Japan's own tyrannic utilitarianism," according to the "Shiunso."

"Great Turning Point"

"The present China Incident is a great turning point to change from the utilitarian confrontation struggles of the world—that is, the age of animalism civilization of the strong preying on the weak—to the age of human civilization of mutual existence of nations and mutual prosperity of Humanity," the declaration continues.

"But the key to that turning point is held by Japan. Japan is the country that is opening the iron gate of the new era and advancing at the head of the times.....

"But if Japan possesses determination to meet such a challenge of nations that confront us with violence, however many nations might be united against us, Japan will win the final great victory and the result will be a further expansion of Japan's national strength. Therefore the people of Japan need not be surprised at all at such development.

Japan "Invincible"

"There is no enemy force that can approach the sphere of influence of Japan, from any part of the world, fighting against our army and navy, planes and submarines. If there be warships or aeroplanes that attempt to approach, instantly such warships or planes will be almost entirely shot down or sunk. Such nations themselves will soon sink into the second or third rate countries of the world, there is no doubt."

"Shiunso" in literal translation from the Japanese means "Purple Cloud Villa."—United Press.

Brazil Strictly Neutral Toward China Conflict

Tokyo, Dec. 22.

Without material interests in the Orient and far removed from the scene of hostilities in China, Brazil is strictly neutral in her attitude toward the Sino-Japanese conflict, according to Mr. Setsuzo Sawada, Japanese Ambassador to Brazil, who has just returned here from Rio de Janeiro. There is considerable anti-Japanese sentiment among the masses because of newspaper accounts of Japanese "atrocities," but the upper classes and government circles, including President Getulio Vargas, were thoroughly sympathetic with Japan's anti-Communist motives, Mr. Sawada said.—Domei.

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SHANGHAI NEWS

New Boys School Needed

Sir Herbert Philipps Appeals to Parents at Speech Day for Support of Important Project

Shanghai, Dec. 23.

SIR Herbert Phillips, H.M. Consul-General in Shanghai, who presented the prizes at the Speech Day occasion yesterday of the Cathedral School for Boys, urged parents present to unite in pressing for support in the cause of providing sound educational facilities for British boys and girls in the Community in Shanghai. He assured them, that on his part, he keenly desired to assist in every way and if necessary would fully report the position to the British Government.

Mr. A. E. Seddon, chairman of the Committee of Management, who welcomed Sir Herbert to the gathering of pupils, parents and friends who filled to capacity the main auditorium of the Masonic Hall, 1623 Avenue Road, gave interesting details of the financing in connection with the project of building new school premises. Mr. P. W. Massey and his colleagues were thanked for their hard work in assisting in the smooth running of the School during difficult months while a vote of thanks was unanimously passed for the masters of the School who had worked very hard indeed when it became necessary to remove from their premises a number of times owing to the hostilities.

In referring to the appeal made for $150,000, the sum, of which together with funds already in hand, would allow for building new premises for the school, Mr. Seddon said a total of $115,000 had been collected and of that, just under $100,000 had been deposited with a local bank. The remaining $15,000 had not actually been paid yet but were understood to be available when construction commenced.

Criticisms made last year when it was decided not to convert the funds of the school into sterling, the speaker answered by explaining that the Trustees, after having carefully considered the matter with their legal advisers, decided they were not allowed to make the conversion into a foreign currency as this would be considered a gamble, notwithstanding the subsequent drop in the exchange.

The temporary premises of the school, Mr. Seddon continued, were not ideal. Facilities for sports were particularly poor and the trustees had therefore decided to buy a piece of land on Keswick Road about 200 yards away from Hungjao Road, consisting of 11½ mows. This site was not big but would permit the laying out of a football-field and a track. Money to purchase the land came from the Coronation Fund and had been especially earmarked for this purpose. In view of existing conditions, he said, the price paid was very reasonable. Mr. Seddon then thanked the Chinese Returned Students Union, members of which were present. The Union had offered a number of awards for Chinese studies.

The Rev. P. C. Matthews, Head Master, referred to the difficulties through which the school had passed since last year's hostilities. Although some 120 pupils were expected to attend the opening of classes in September of last year, only twelve actually came but since Spring of this year, about 130 pupils had enrolled.

Aid of Britons Asked

As temporary quarters, Mr. Mathews remarked, their premises were not bad and he recalled that one of the tiniest boys had once remarked to him that "this isn't a real school, is it?" He would stress their need for a new big school as the former premises would never be used again and as the British was the largest non-Asiatic community in Shanghai, the Cathedral School was the only purely British school for boys in Shanghai. Therefore, he believed, nothing less than a school so equipped as to hold its own with any of the smaller public schools at Home should be sought. This aim would need money but he did not doubt there were wealthy Britons in the Far East whose imaginations might be fired with the need of such a laudable project and who would thus lend their aid.

As for sports, the School had done quite well and owed a debt of gratitude to he various local clubs who had permitted the use of their facilities. A full-time physical training master was on the staff of the school, an advantage which could not be found in many schools of the same size.

"When we are resting from games, we do some work," the Head Master continued. "Although opinions differ as to the amount, some boys say too much, some masters say too little while parents have divided views."

Educational Facilities Offered

In speaking of the facilities offered at the Cathedral School, the speaker said there is no need to send a boy Home till he is ready to enter a Public School. For those who desired to seek their livelihood here in China, it had often been said that additional facilities should be made available so that pupils would remain in the school until they reach the age of eighteen, but to expect a boy at sixteen to do well if placed into business, was unreasonable and unfair on the boy.

In commenting on the Boy Scout Troop of the Cathedral School, Mr. Matthews said they were doing well and that with the exception of those too young to be Cubs, every boy was a member of either the Cubs, the Scouts or the Sea Scouts.

Mr. Mathews took occasion to comment that the habit of going on home leave and taking the children along was rather detrimental to the children as often they returned without having looked at a book even once during the six months. The boarding house attached to the school could do away with this difficulty and at the same time prepare the boys for what they would have to expect when they went Home to continue their studies, after they had finished here.

Appeal by Consul-General

Sir Herbert Phillips, H.M. Consul-General in Shanghai, took the opportunity in his address to call for greater support from the British Community for providing educational facilities for British children in the Far East.

"In my opinion," Sir Herbert declared, "more interest in and support for the cause of providing sound educational facilities for British boys and girls is required in our Community and I trust that the parents of this School will unite in persuading the Chamber of Commerce, the China Association and the British Residents Association to continue to keep this question in the forefront of their programme for the development of British interests, even though these organizations may be occupied with larger issues. For myself, I can assure you as Consul-General of my keen desire to assist in every possible way and I would be prepared at any time to make a full report to His Majesty's Government in order to arouse sympathy and interest at home.

Word in Defence of Sport

"The British educational system aims at the development of individuality, but not at the expense of discipline or of healthy tradition. The team spirit is inculcated by games and every great British school, and all present and past members thereof are proud, and rightly proud of its traditions. Though it may have been an exaggeration to state that the Battle of Waterloo was won on the playing fields of Eton, there is no doubt that games as played in British public schools do produce the ideal type of men for positions of command and responsibility. If we do not produce or attempt to produce automations, if we do not aim in our schools to make every boy and girl enter upon his or her career with a stereotyped mentality, we nevertheless do attempt to teach a common standard of morality, of ethics, of sportsmanship and of gentlemanly conduct. And that is a heritage in which we shall continue to take pride as long as British schools continue to send into the world young men and women who can think clearly and constructively, but who nevertheless feel very definite obligations to their fellow subjects whether at work or at play, in war or in peace.

Advice to Young Men

"To those boys who may be about to leave School I would make a suggestion or two. Do not regard your life or your leisure as entirely your own. Rather let your horizon be wider than the Club or the Cinema. There is social work crying out for workers. Also hold fast to those things which are really permanent and which go down to the seat of human affection—love of family, friendship, loyalty to your Country and your School."

The Speech Day occasion was concluded by the singing of Carols, in which parents and friends joined. Tableaux, beautifully presented by talented pupils, were much applauded.

List of Prize Winners

The following presentations were made:—

Prizes: Form V: A. J. Harvey; Form IV: G. E. Mills; Form III: D. L. Frost; Form II: L. F. M. Poppie; Form I: E. Evans; Form A: A. A. Lockyer and J. W. Seddon; Form B: A. L. Robb; Form C: P. G. Mulvaney and H. R. Scrimgeour; Form D: R. D. Cheetham and R. J. Baker.

Certificates: Form III: V. P. Edwards and J. C. Greenfield; Form II: R. L. Huckstep, F. A. Kempton and R. W. Laycock; Form I: J. M. H. Liley and H. F. Granfield; Form A: W. L. Hancock, D. R. Gander and A. G. Dixon; Form B: C. J. Huckstep, H. G. Currie, C. Day and K. H. M. Dixon; Form C: D. I. Knight, I. T. Begley, J. G. Ballard and A. J. Stevens; Form D: E. A. R. Liley, G. J. Aplin and P. N. Bates.

Prizes awarded by L'Alliance Francaise: A. J. Harvey and R. A. Burn;

Campbell Prize for Mathematics: P. E. Brewer;

Dean Walker Scholarships: R. A. Burn, A. J. Harvey and P. E. Brewer;

B. R. S. U. Prizes for Chinese: V. P. Edwards and A. J. Dodd;

Holiday Reading Prize: J. C. Greenfield;

Sir Peter Grain Cup: Form III.

Awards for 1936-37 were:—

Peace Memorial Scholarship (£450 per annum for three years): A. H. Cornfield;

School Certificates: J. A. Brennan-Craddock, D. W. Campbell, J. A. Cheetham, W. K. Corneck, A. H. Cornfield, H. W. Gordon, E. M. Evans and S. Robertson;

Junior Certificates: M. J. Gordon, D. Kempton, P. O'brien and R. G. Sayle;

Awards for 1937-1938 were:—

School Certificates: E. K. Berents, J. A. Brennan-Craddock, A. J. Harvey, R. P. G. Dowdall and P. O'Brien;

Junior Certificate: L. S. Lumsdaine.

Sethna Memorial Prize for Cricket (1937): A. N. Young;

Sethna Memorial Prize for Cricket (1938): R. A. Burn;

Junior Camplonship of Shanghai, 100 yards Swimming (free style): L. S. Lumsdaile.

BY SAPAJOU

Col. Joseph Fegan,

Officer Commanding Fourth Regiment, U.S.M.C.

Chinese Banks Said to Be in Sound Position

Shanghai, Dec. 21.

Chinese banks in Shanghai began clearing up the year's accounts yesterday and will begin their three-day annual settlement holiday on the New Year's Day. Chinese bankers and their assistants will work hard in the next few days. The counting of interest on deposits was concluded yesterday and interests of other departments will be accounted for up to December 25.

Information obtained from banking circles indicates that, although Chinese banks have suffered losses as a result of the hostilities, the losses have been made good by large profits they have realized during the past year taking the advantage of the increased population of the city. No closure of any Chinese bank is expected, it is stated.

The foundation of the legal tender notes is reported to be firm, but the United Press of China, an organ of the new Nanking regime, reports that in May of 1939 the "Provisional Government" in Peiping will stop the circulation of Chinese government notes in the North.

A Chinese evening report stated yesterday that the Ministry of Finance will soon call a meeting of bankers to discuss plans for developing the south-west. The meeting will be held in Kunming and many Chinese bankers in Hongkong and Shanghai are said to be going.

Cathedral Girls School Closing

Shanghai, Dec. 23.

The closing exercises of the Cathedral Girls School were held yesterday morning. Members of the Committee of Management were present, together with a large number of parents of the children attending the School.

The prizes were given by the Acting Chairman of the School, Mr. P. W. Massey, as follows:—

David Brand Scholarship—Gillin Murray.
Bishop Curtis Award, Form IC, Margaret Bowie.
Sir Peter Grain Work Cup, Form IVA, John Daviels.
Tennis:—School Singles Champion Cup, Betty Gray. House Championships Cup, Faraday.
Netball:—Inter House Championships—Bronte.
House Points for Autumn Term 1938:—

1. Bronte—764 points.
2. Scott—658 points.
3. St. Hilda—626 points.
4. Faraday—609 points.

In the course of a short address Mr. Massey referred to the appeal made for an endowment for the school, and urged all parents to become keen canvassers for this cause. He said:

Endowment Needed

"This assembly of bright and happy faces has induced me to break a promise which I made to the Committee of Management not to make a speech. I feel that if the members of British Community to whom the appeal for a better endowment has been made could see this assembly no further arguments would be needed for the purpose of stimulating them properly to endow the school so that its continuity could be assured. This school endeavours to provide an education which besides preparing the scholars to secure the material needs of life will also build up their character and start them in life with high Christian ideals and with a proper sense of their responsibilities as British citizens.

"I hope that all the parents here this morning will become ardent canvassers in an effort to secure additional endowment.

"I am especially glad to be at this function today which has as one of its important features the presentation of the David Brand Memorial Scholarship. All who knew David Brand had a great affection for him and a great admiration for his character. I asked myself what was the principle feature of David Brand's character. The answer that at once suggested itself was "Patriotism." David Brand was strongly imbued with this virtue. By patriotism I do not mean the blatant exaltation of national spirit to the detriment of all others which is prevalent in some countries today but a calm pride in the achievements of the British Empire in the past and full confidence that it will continue in the future to live up to its traditions and give the benefit of civilization in its highest sense to all those for whom it was responsible.

"I exhort you to be proud of your country; be confident in its future and make up your minds so to rule your own lives that your country would be proud of you."

Mr. Massey concluded by wishing the scholars a happy Christmas and pleasant holidays.

Junk Pirates Launch Attack on British Ship

Shanghai, Dec. 27.

Two of the six Russian guards manning the China Import and Export Lumber Company's steamer Tseangtah, are lying at the St. Marie Hospital, Route Pere Robert, in a serious condition following a pirate attack on the steamer which was attempted at 4.30 p.m. on December 25 in the vicinity of "Dove Nest" near Liuho about 100 miles up river when the Tseangtah was on her way back to Shanghai.

The steamer, of which Captain O. C. Blown is the skipper, was suddenly attacked by a junk manned by an undetermined number of pirates who opened fire with a machine-gun which was plainly visible from the decks of the Tseangtah.

The Russian guards, the number of which had been increased following two previous attempted piracies within the last three months, rushed to their stations and returned the fire, using a type of rifle which required individual loading of each bullet. The odds were against the guards during the five-minute battle that followed, as they were forced to stand against an open rail, thus becoming an easy target for the Chinese gunmen.

Eventually, however, the junk was forced to withdraw, and the action of the guards was described as "heroic" by the captain of the Tseangtah.

Guards Surprised

The guards were taken by surprise when the pirates opened fire, and were having a game of cards when the first bullets pierced the door to the room in which they were playing and which lies on the port side of the ship. They immediately dashed to strategically important points on deck and fired at the junk.

When the smoke of battle had cleared, it was found that two guards, Boris Konovaloss and Andrey Sharapoff, were lying on deck with serious shot-wounds.

Konovaloss, who was also in charge of the Russian guards, had been seriously injured in the chest whilst his comrade had bullet wounds in the right leg. Both men are expected to survive.

H.M.S. Scarab, which was on patrol duty near the scene, immediately rushed to the rescue of the Tseangtah but arrived after the pirates had departed. The warship remained near by and patrolled that part of the river throughout the night, using powerful searchlights.

The Tseangtah, which is under charter to a local firm, left Shanghai on her usual trip up river yesterday morning as per schedule.

Hat-Snatching Racket Suffers Setback

Shanghai, Dec. 22.

The hat-snatching "racket" which in recent weeks has caused grief to many passengers in 'buses, tramcars and rickshaws, has suffered a serious setback in the arrest of nine members of a gang accused of having perpetrated this crime on a large scale in the International Settlement.

The nine, mostly boys, were seized by the Municipal Police at a hot-water shop in an alleyway off Shantung Road, the shop apparently having served as a meeting-place for the gang. They are now being held in custody, and are on remand before the First Special District Court.

Hat-snatching through half-open bus and tram windows persists in both the Settlement and the French Concession despite the colder weather which causes most bus and tram windows to be nearly closed. The ragamuffin boys who operate this "racket" are usually so fleet of foot that they are well within a network of alleyways by the time a pursuit can be begun. The hats which they obtain are disposed of at very low prices to receivers apparently working with the boys.

Many Attend Christmas Parties of S.M.P.

Shanghai, Dec. 27.

Elaborate celebrations were held yesterday by the Shanghai Municipal Police in observing the Christmas holiday.

At noon a reception was held at the Police Club in Foochow Road attended by Major K. M. Bourne, Commissioner, and Officers of the Force.

Almost simultaneously a reception was given at Louza Station, at which a large number of the Police and their friends attended. The Divisional Officer, Mr. H. D. M. Robertson, Supt. Shellswell, Chief Inspector Chamberlain and others attended.

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Japanese Pootung Drive Ends

Shanghai, Dec. 20.

Sorely-tried by the exactions of Chinese guerillas, claiming to be part of the newly-formed Fourth Army, Chinese civilians in Pootung assisted Japanese forces last week in ecking out the lairs of the irregulars, a correspondent of the "Shanghai Nippo" with the Japanese forces reported yesterday.

The anti-guerilla drive was launched at midnight on Dec. 13 by seven Japanese detachments deployed along an 30-kilometre semi-circular line on the Pootung peninsula south-east of Shanghai across the Whangpoo River.

Two prisoners were taken, while 342 guerillas were slain, according to the correspondent of the "Shanghai Mainichi," who also followed the Japanese troops. Booty taken included 56 rifles, 10,134 rounds of ammunition, 35 bayonets, 22 hand grenades, three stretchers, one revolver, one machine-gun of Czech manufacture, and three Chinese big swords. Japanese losses totalled one killed and eight wounded. Among the latter was an officer, the "Mainichi's" correspondent said.

Gentry Evacuated

Rather than remain to be subject to the depredations of the irregulars, said to be acting in the name of the Chinese Nationalist Government, the well-to-do gentry of Pootung have evacuated the area, the "Nippo's" correspondent wrote. In Sincheng and in Fengsien in particular, most large houses had been vacated and boarded up. That these towns were abandoned a long time ago was indicated by the dust covering the furniture in those houses, the correspondent added.

The irregulars, who include bandits and loafers, are estimated at about 6,000. They had bases at Sincheng, Nanhwei and Fengsien.

These points, as well as other villages in Pootung were captured by the Japanese forces by December 17, when the drive was completed, the correspondents said.

Not Ended, Say Chinese

It would appear that Shanghai will have another "lone battalion" as a source of inspiration because, according to Chinese evening reports yesterday, there are 600 guerillas still fighting in the war-ravaged walled district of Nanhwei despite fierce attacks repeatedly launched by the Japanese in their attempt to wipe out all guerillas on the peninsula. According to the reports the attempt has so far not been successful.

This new "lone battalion" is being led by two men, Colonels Yu Tao-sen and Li Wen-yuan, who will not give in. The Japanese forces, it is admitted, have occupied some bordering areas of the district but the city itself remains in the hands of the guerillas. The Japanese are said to be lacking artillery, without which no effective attacks can be made against the guerillas. The rain during the past two days rendered it impossible for the Japanese to use aeroplanes as they did the last week, it is stated.

Fighting is still in progress in many villages in Pootung, some of which have been reduced to piles of debris and many civilians are reported to have been killed.

St. George's Society Monthly Lunch

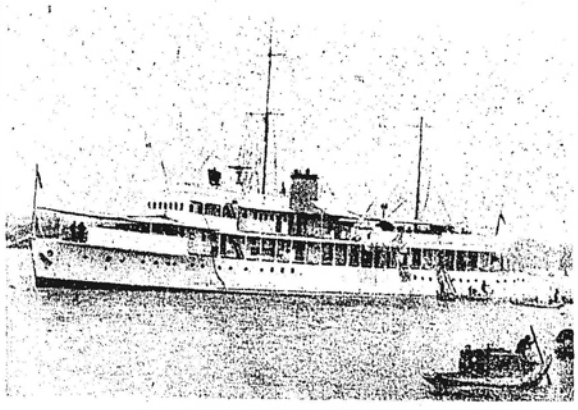
Shanghai, Dec. 23.

The monthly luncheon of the committee of the local branch of the Royal Society of St. George took place yesterday at the Shanghai Club under the chairmanship of Mr. T. J. Drakeford, the president, the guests of honour being Sir Robert Calder Marshall, K.B.E., and Col. J.E. Fegan commanding the Fourth U.S. Marines in Shanghai.

Mr. Drakeford, in proposing the usual toast to the guests, congratulated Sir Robert on the honour bestowed upon him by H.M. the King in recognition of his great services to the community, and especially referred to the early attempts made by him to bring about better relationships between the British and American communities and the Chinese, which had had excellent results. On behalf of the Society he extended a hearty welcome to Col. Fegan, whom he rightly suspected, by reason of his name, of being an Irishman.

In reply, Sir Robert recalled the assistance he had received from the president in the formation of the Union Club, and in the course of his remarks on the general situation, admitted the present surrounding gloom, but expressed confidence in the future providing the people of Shanghai stood together to face their difficulties.

Col. Fegan also returned thanks in a felicitous speech, recalling his interview with Maj.-General J. W. Beaumont, one of his predecessors, and the advice he gave him about coming to Shanghai.



New British Gunboat Arrives From South

H.M.S. Scorpion, the new gunboat for the British Yangtze Flotilla, arrived from Hongkong on Dec. 22 in command of Lieut.-Comdr. J. A. Agnew. Picture shows the Scorpion at the buoys.

British Newspaper Regulations

Shanghai, Dec. 21.

The following King's Regulations, relative to the publication of newspapers, pamphlets or other publications in any language but the English was exhibited on the notice board of H.M. Consulate-General yesterday afternoon, whereupon it immediately came into force.

The following Regulations made by His Britannic Majesty's Ambassador, and approved by His Majesty's Principal Secretary of State for Foreign Affairs, are hereby declared to be urgent and published for general information.

ARCHIBALD CLARK KERR, HIS BRITANNIC MAJESTY'S AMBASSADOR.

King's Regulations made under Article 209 and issued under Article 212 of "The China Order-in-Council, 1925."

1. These Regulations are declared to be urgent.

2. No British Subject or Corporation shall print or publish or cause to be printed or published, or be in anywise concerned with the printing or publishing of, any newspaper, pamphlet or other publication in any language, other than the English language, without the written consent of His Britannic Majesty's Ambassador in China first had and obtained.

3. Such consent as aforesaid shall be within the absolute discretion of His Britannic Majesty's Ambassador and in granting the same he may impose such conditions as he shall, in his absolute discretion, think fit.

4. If any British Subject or Corporation shall contravene the provisions of Article two hereof, or any condition imposed as aforesaid, such British Subject or Corporation and every director, manager, secretary and other officer of such Corporation who is knowingly a party thereto, shall be guilty of an offence, and upon conviction shall be liable to a fine not exceeding £50 or to imprisonment with or without hard labour for a term not exceeding three months, or both.

5. In any prosecution of a director, manager or secretary or other officer of any Corporation which shall be guilty of an offence under Article four hereof, proof that the offence was committed without his knowledge or consent shall lie upon the accused.

6. These Regulations may be cited as "The Licensing of Newspapers Regulations 1938."

Huge Fire Destroys N.Y.K. Godown

Shanghai, Dec. 23.

Fire had almost completely destroyed Godown C of the N.Y.K. Wayside Wharf, 8 Yangtzepoo Road, when it was first reported shortly after 6.30 p.m. yesterday. The Harbour Fire Brigade and various units from Yangtzepoo, Hongkew and Central Stations of the Shanghai Fire Brigade aided but the blaze was only under control shortly before midnight. The small fire-float and a stand-by unit from Yangtzepoo Station was expected to remain at the scene for another 36 hours to pour water on the smouldering ruins.

Cargo stored in the single-storeyed building was believed to consist mainly of phosphorous, matches, oil and cotton. Cargo stored on the wharf itself was badly damaged by water. Cause of the fire is being investigated. No one was injured.

Press Regulation Approved

Shanghai, Dec. 27.

Praising the British authorities' recent action imposing a licence system for publications not in the English language, the "Yangtze Hermit," a frequent contributor to the Shanghai Mainichi, on Friday advocated the making of the British regulations retroactive and the adoption of similar measures by the American authorities.

Recalling that the "North-China Daily News," in its editorial of December 22 had stated that "the new King's regulation....will be welcomed by those who have watched with some concern the activities of certain newspapers published in the Chinese Language under the cloak of British ownership," the Hermit expressed the hope that "this Regulation will not be a mere diplomatic gesture toward Japan, but firmly put into practice."

"Poisonous" Propaganda

The commentator said he had frequently pointed out on previous occasions that the Chinese, publishing newspapers in the vernacular registered with the British authorities so as to evade Japanese control, were engaged in "disseminaing empty lies and indulging in poisonous anti-Japanese propaganda" and had demanded rigid control against these publications by the British and American authorities.

Stressing the need for making the Regulation retroactive, the Hermit pointed out that saturation point had already been reached by Chinese publications in Shanghai. "Consequently," he continued, "it can be estimated that those that will appear anew will be few in number, while it is a fact that newspapers now being published are doing most of the harm."

"The best manner in which to serve the purpose of the new Regulation," the Hermit stated, "is that its provisions be applied to the newspapers mentioned above. If these are immune from the new Regulation, the rules will fall short of their aim."

Pointing out that there were many newspapers of the same type published under the cloak of American ownership, the commenator said he hoped that the United States would follow the British example.

English Papers Criticized

"To go to the bottom of the matter, however, a mere control of newspapers will not be effective in stamping out those of anti-Japanese character. To strike at the root, third-party Powers should assume a more positive attitude towards the prohibition of anti-Japanese ogranizations which lurk behind the anti-Japanese newspapers."

Asserting that there were newspapers in European languages which publish "Chinese propaganda with qualifications and carry articles and editorials of the same tenor as that of Chinese-language papers," the Hermit urged a strict supervision upon English-language as well as other newspapers.

"What is important," he concluded, is not the mere publication of regulations, but the eradication of such causes as make the regulations necessary."

Coolie Seriously Injured In Fall from Scaffolding

Shanghai, Dec. 21.

A coolie was seriously injured at 8.35 o'clock yesterday morning, when he fell from scaffolding of a building at 140 Macao Road. He was rushed to the Paulun Hospital in an emergency ambulance, his injuries being diagnosed as lacerations of the face.

Child Refugee Hospital Issues Annual Report

Shanghai, Dec. 25.

What had originally been intended as a provisional hospital for Chinese children who, due to the hostilities were deprived of their regular medical attention, became a permanent institution when the Hospital for Refugee Children which came into existence in December of 1937, decided three months later to continue its functions until such time as the services would no longer be required.

Only 14 patients were in the wards on December 1, 1937, but subsequently the necessary arrangements were made to accommodate upwards of 100, apart of course, from outside patients who daily call to receive treatment.

The annual report, which has just come to hand, states that all the medical work was done thoroughly and scientifically with the hope that records carefully kept may be of some use for future case history studies, and gratitude was expressed to the American Advisory Committee for Civilian Relief, the Shanghai International Red Cross, the Rotary Club and many others who through their kind co-operation have made the hospital a possibility.

In reviewing the medical results obtained, it is of interest to note that of a total of 1,110 cases discharged, 740 were cured or improved whilst 45 cases were un-improved and an additional 47 cases were discharged as not treated.

Mortality Rate Lowered

Of the total number of 268 deaths occurring in the hospital, 106 died 24 hours after admission to the hospital and this alone indicates with what difficulties the staff had to cope due to the fact that in most cases the children are only brought to the hospital when their ailments have made vast progress. There was a high rate of mortality during the first few months of operations but this was mainly due to the poor conditions existing in the various refugee camps where the patients had lived.

Financially, the hospital depends entirely on support from organizations and individuals, donations coming mainly from the organizations which make regular contributions and which have thus enabled the Board of Directors to fix a monthly budget of $3,000. The total expenditure for the year has been $36,225.19 of which about one third was spent on salaries. Considering, however, that there are some 24 doctors, most of whom devote all their time to the work in the hospital, and that particularly in a Children hospital a large nursing staff is required, this amount is very reasonable.

Malnutrition was the worst enemy which doctors and nurses had to face, according to the annual report, whilst 38 per cent. of all patients suffered from infectuous diseases such as tuberculosis, dysentry, typhoid and whooping cough. Most of the work was medical, only 39 minor operations having been performed throughout the year under review.

Support from Shanghai residents and organizations is being solicited in the report, as the future of the hospital must be secured until such time as condition will permit its closing.

Attempt to Murder Alleged Traitor

Shanghai, Dec. 25.

Pro-Chinese terrorists struck at an alleged traitor, Mr. Hwa (Wu) Chenchuan, who is said to have had important dealings with the Japanese, at 10 o'clock yesterday morning in the vestibule of 33 Szechuen Road.

Mr. Hwa was fired upon by members of a small group, about five shots being discharged. He was not hit, however, but a middle-aged Chinese, entirely unconnected with the intended victim of the assassins, was wounded in the right ankle. This man, after hospital treatment, was able to return to his house.

One of he terrorists who actually fired some shots was arrested by the Settlement Police and was last night being questioned by members of the special homicide squad of S.M.P. Headquarters, known as "C. 8." Two pistols were discarded by the band at the scene and were recovered by the Police. They were one high-velocity Mauser (military type), and one "Royal automatic. Both weapons were loaded when seized.

The intended victim of the assassins is alleged to have been involved with the Japanese in the sale of a coal mine in Shantung and in negotiations about the sale of a cement works in the Lunghwa area The man who was arrested is said to have been the man who wounded the Chinese not connected with these dealings.

Poor Conditions in Cattle Lairage

Shanghai, Dec. 20.

Adding to the difficult problems with which the authorities of the French Concession have to cope since the outbreak of hostilities here last year, is the task to find ways and means of making available suitable sites for the keeping of animals destined for the slaughter-house which however arrive in Shanghai a day or two too early and consequently have to be kept somewhere.

Upon the request of the livestock merchants association, the French authorities therefore allocated a piece of land for the purpose which is situated behind the P.W.D. depot on Rue Dollfus.

Conditions under which the cattle, ranging from 50 to 80 per day, are being kept there, have come to the notice of the Shanghai Society for the Prevention of Cruelty to Animals, which in turn approached the French Council with a view to improving on existing conditions.

No shelter has been supplied and these animals are consequently exposed to rain and cold. The ground is very muddy and the only drinking water available is rain-water. Puddles all over the large tract of land make it dangerous to walk for the coolies who presumably have been engaged by the merchants to look after the needs of the animals.

Approached by a representative of the "North-China Daily News" yesterday afternoon, a high official of the French Council said that the cruel manner in which these animals were being treated had come to the notice of the Council a few days ago through a letter from the S.S.P.C.A. The matter was immediately investigated and orders have already been given to erect temporary huts wherein the animals may be kept over night and on rainy days.

"We are not in a position to build elaborate stables" the official continued, "because this would involve an outlay of large sums of money. In view of the fact that the present state of affairs has been brought about by prevailing conditions—which may change within a number of months—it would also be unwise to go to any considerable expense."

"I have already given instructions for the construction of temporary huts which I believe to be adequate in affording the requisite shelter for the animals. The supply of fresh water has also been arranged and constructional work on the huts is to begin in the very near future."

Previous to the outbreak of hostilities, the animals were usually kept in Nantao and other outlying districts until they made their final trip to the slaughter house. Since these districts have since been cut off however, the animals are unloaded from the various steamers which bring them from nearby villages, and are taken to this lairage.

As a rule, they remain there for a day or two, although occasionally they are left there for a week or more prior to being killed. They are fed at the expense of the merchants who also have their own attendants there guarding the cows.

Two Burned to Death In Factory Fire

Shanghai, Dec. 25.

The bodies of two adults, burned so as to be unrecognizable, were found by Settlement firemen yesterday morning in the ruins of a Chinese vacuum-flask factory at 262 Weihaiwei Road, which was swept by flames during the night.

The fire was first noticed shortly before 5 o'clock yesterday morning and an alarm was sent to Sinza Fire Station. Soon afterwards, Central Station also turned out to the scene. The whole building and its contents were badly damaged by the flames. and the firemen spent two hours and a half in extinguishing the blaze.

While scores of persons fled in time to save their lives, the bodies of two victims were later recovered from among the debris and were taken to the Public Mortuary. Apart from these two cases, no one was injured.

Shanghai Municipality Extended

Shanghai, Dec. 24.

One more district has been added to the ten under the jurisdiction of the Greater Shanghai City Government headed by Mayor Fu Siao-en, it was announced on Dec. 22. The ten districts heretofore under the control of the city government are Chapei, Nantao, North Pootung, Fenghsien, Chuang Sha, Nanwei, Paoshan, South Pootung and Western Shanghai. The district just added to the territory is Kiating. Negotiations are going on between officials of the city government and the Kiangsu Provincial Government for transfer of control over Kiating.

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SHANGHAI NEWS (con.)

Henningsen Office Raided

Shanghai, Dec. 24.

In one of the most spectacular armed robberies committed during the past few weeks, six or seven Chinese, one armed with a pistol and another with a knife, made their way into the offices of the Henningsen Produce Co., at Rooms 145-146, in the Hongkong & Shanghai Bank building, at about 8.30 o'clock last night and after intimidating the two Chinese employees who where there at the time, locked them up in the office and made good their escape with approximately $4,000 in cash.

Police parties under Detective Sub-Inspector J. J. Ross dashed to the scene from Central Police Station, Foochow Road, whilst uniformed parties searched the building thoroughly and finger-print experts went to work in the offices of the Henningsen Produce Co. in search of possible clues.

Neither the search of the building nor the fingerprints found at the scene gave investigating officers anything to work on. Three suspects, believed to be Chinese members of the staff of the American company, were however taken to the police station for questioning, it being presumable that the robbery must have been perpetrated with the assistance of one or more members of the Chinese staff.

H.M.S. Suffolk Arrives From Weihaiwei

Shanghai, Dec. 21.

H.M.S. Suffolk, 10,000 tons British cruiser, arrived in Shanghai yesterday morning from Weihaiwei, having left the northern port on December 17 in order to remove Surgeon Lieut. Cdr. A. R. Ewart, who had contracted smallpox, to the Municipal Isolation Hospital in Brenan Road.

As soon as the vessel berthed at the British naval buoys, a launch was sent to the shore with Lt. Cdr. Edwart on board and he was removed to the hospital by ambulance. As the officer is now in the Isolation Hospital the ship will not be quarantined and it is expected that she will leave port in early January.

Upon her arrival at Weihaiwei on December 15 the Suffolk was immediately quarantined because of two cases of smallpox on board, the quarantine regulations being lifted after the removal of the men to the Naval Hospital. Surgeon Lieut. Cdr. Ewart, who tended the men before their despatch to hospital, contracted the disease a few days later and the ship immediately left for Shanghai.

Following the arrival of the Suffolk the escort vessel Sandwich left the naval buoys for the Lower Yangtze where she will meet the convoy of British and American gunboats from Hankow.

Another new arrival today will be H.M.S. Scorpion, which is to replace H.M.S. Bee on the Yangtze Flotilla. The new ship, which has just finished trials at Hongkong, will carry the flag of Rear-Admiral Holt, Rear-Admiral of the Yangtze Flotilla.

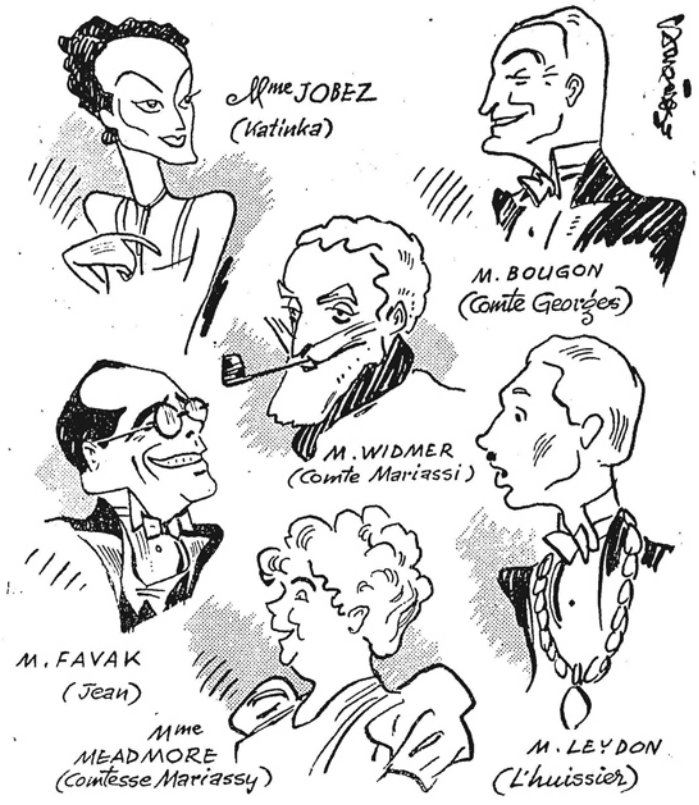
Christmas at the Union Jack Club

Shanghai, Dec. 27.

A happy gathering of British sailors, comprising of 74 members of the recently relieved R.F. Force and the local Naval staff, sat down to a regal "spread" at the Union Jack Club on Christmas Day, provided by the committee of the U.J.C. which enhanced the reputation of the Club for looking after the Services at Christmas every year. The "Hankow Force" voiced its appreciation through the medium of Petty Officer Dampier who made a short but impressive speech conveying to the Committee, the Resident Manager and staff, the thanks of the whole force for the wonderful reception they had received and for the excellent Christmas Dinner provided for them.

He concluded his speech by calling for three cheers for the committee, manager and staff, with an extra one for the manager which was heartily responded to. Mr. F. Hornbrook, resident manager of the Club replied on behalf of the committee and staff, and said that he hoped that the "force" enjoyed the Christmas fare, and found things generally a little better than being "bottled up" at Hankow. He brought his speech to an end by wishing all present the compliments of the season.

Crackers, cigarettes, cheroots and cigars were also distributed. In the evening both the Army and Navy filled the Club to capacity and indulged in free beer and "smokes" at the invitation of the committee.



BY SAPAJOU

The French A.D.C.—"Ruy Blas 38"

Foreign Gunboat Convoy Arrives

Shanghai, Dec. 25.

The convoy of British and American gunboats consisting of H.M.S. Mantis, flying the flag of Rear-Admiral R. V. Holt, Rear-Admiral, Yangtze; H.M.S. Peterel, H.M.S. Cockchafer, the U.S.S. Guam and the U.S.S. Monocacy, arrived in Shanghai shortly after noon yesterday, after making the downriver trip from Hankow where they had been "bottled-up" since the start of the hostilities 16 months ago.

H.M.S. Gnat which was scheduled to arrive with the convoy, is expected at a later date, having been held up with engine trouble at Wuhu. The Monocacy and Cockchafer joined the convoy at Kiukiang, and the latter vessel also stopped at Anking to pick up Mr. and Mrs. A. Mair of the China Inland Mission before resuming its trip downriver.

New Flagship

Escorted by five Japanese warships the convoy left Hankow on December 19, but 50 miles further downstream the ships were held up when H.M.S. Gnat developed engine trouble, the delay lasting for 24 hours. At Nanking H.M.S. Tern left the convoy and the rest of the journey was made without incident.

Arriving from Hankow on board the British vessels were 120 Bluejackets who were sent to Hankow after the retreat of the Chinese troops to maintain order in the former British Concession. Seventy-four of the men will be accommodated at the Union Jack Club, while the rest will be distributed among the various ships in port.

Immediately after arrival Rear-Admiral Holt transferred his flag to H.M.S. Scorpion, a new British gunboat of 585 tons, which arrived in Shanghai on December 22 after her preliminary trials at Hongkong.

Sian Incident Recalled By Chinese

Shanghai, Dec. 25.

The Chinese people in Shanghai will observe a holiday to-day and hoist their flags in celebration of the second anniversary of the humiliation of General Chiang Kai-shek in the Sian Incident in which he was made a captive by General Chang Hsueh-liang, the then military leader in the northwest who urged the generalissimo to fight the Japanese.

In hoisting their national flags the Chinese will also celebrate to-day the revolutionary uprising 27 years ago in Yunnan which later caused a series of similar uprisings to break out, thus enabling the late Dr. Sun Yat-sen to establish the Republic of China.

THE STAGE

"Ruy Blas 38"

Comtesse Mariassy
Mmes R. M. Meadmore
Katinka .....R. Jobez
Klari .....Mlle. C. Meadmore
Jean .....M. M. F. Favak
Comte Mariassy .....G. Widmer
Comte Georges .....P. Bougon
Le Secrétaire .....P. Cousyn
L'huissier .....R. Leydon
Le reporter .....Y. Segalen
François .....P. Anthoine-Milhomme

Shanghai, Dec. 23.

Although the dramatic section of the Alliance Francaise, known to have produced a number of successful plays each winter Wednesday's (Dec. 21) production of "Ruy Blas 38," which was given at the Lyceum, was the outstanding in a number of years. From the moment the curtain went up until it finally came down again, everything went without a hitch and suggested either that most of those taking part, had plenty of previous stage experience or that a very long and complete preparation preceded the actual show.

"Ruy Blas 38" has been in Shanghai before, namely on the screen as "The Baroness and the Butler," and deals with the political ambitions and career of the butler of Hungary's Prime-Minister who eventually becomes a representative of the opposition in Parliament and finally wins over his employer and becomes Prime-Minister himself. In the meanwhile, however, he remains the faithful and clever butler until finally he falls in love with the ex-Prime-Minister's daughter and gives up politics to take up a job as a supervisor of labour in a small Austrian city.

There is no doubt that M. M. F. Favak as the butler, round whom the whole scrip centres, steals the show being on the stage practically the whole time from beginning to end. His characterization of the dual role of valet and politician give ample scope to this accomplished actor, thanks to whose excellent portrayal the audience rocked in laughter on many occasions.

Leading the feminine cast is Mme. R. H. Meadmore who in her portrayal of Comtesse Mariassy, literally lives her role throughout the play and thereby adds greatly to the success of the production.

M. G. Widmer as Count George, the Prime Minister, who is finally defeated by his valet but who refuses to renounce his services as a servant, also fills his role excellently, due to the peculiarity of the make-up, his initial appearance in act I, causes no little hilarity. Mme Jobez as Katinka, the daughter of the Count who is married to an easy-go-lucky politician (M. P. Bougon) makes the most out of the role which perhaps, apart from that of Jean the butler, gives most scope to excellent acting abilities. Unfortunately however, her voice did not always carry far enough and on several occasions, Mme. Jobez seemed to have lived her role to such an extent that she appeared to have forgotten that there was an audience. This was particularly the case in Act II, although subsequently and particularly in the final act, she was all that one would expect of a politician's wife who falls in love with a successful man of the lower classes.

M. P. Bougon as the unscrupulous politician-husband of Katinka, portrays his part excellently as did those in the minor roles. A careful scrutiny of acting-material available must have preceded the actual production of the play by Mme. L. Chevretton who was called to the stage at the end of the evening to receive the applause of the large audience. Technically, the production also was excellent, neither scenery, furnishings nor other installations leaving anything to be desired and everyone responsible for the excellent production should be heartily congratulated.—A.S.I.

New Italian Cruiser Arrives in Port

Shanghai, Dec. 25.

The new Italian 7,000-ton cruiser R. I. Colconi arrived in port shortly after 4 p.m. on December 23 with some 600 men aboard. The cruiser, which is the sistership of the R. I. Montecuccoli which served in the Far East for over a year prior to being ordered to return home last month, made fast at the naval buoys opposite the French Bund and soon afterwards the men were permitted to come ashore.

Prior to 10'clock yesterday morning, the commander of the Italian cruiser paid the usual courtesy calls to the commanders of the naval units of other nations here, including the British, American and Japanese.

The cruiser will only remain in Shanghai for a comparatively short time prior to proceeding on routine inspection calls to the various Far Eastern ports.

Blaze at Cotton Mill

Shanghai, Dec. 21.

Six engines from Sinza and Central Fire stations were engaged for over three hours last night fighting an outbreak which occurred on the roof of the Kuo Tien Chen cotton mill at Lane 1086, house 40, Chengtu Road, near Soochow Road.

The fire originated shortly after 7 p.m. when loosely packed bales of cotton and cotton waste, which were stored on the roof, caught fire through unknown reasons. In a few moments the whole of the large stack of cotton became alight and burned furiously for over two hours, in spite of the firemen's efforts to attack the flames from the roofs of adjoining houses.

The results of the fire were the destruction of numerous bales of cotton and severe damage to the roof of the building and the walls. No one was injured.

Shanghai Spends an Enjoyable Holiday

Shanghai, Dec. 27.

Rarely in the past few years has Shanghai celebrated a Christmas season with such fervour as this year. Although the general conception of Christmas is that it is essentially celebrated within the family, the fact that nightclubs and most popular hotels did a roaring business indicates that after the usual turkey dinner and plum-pudding, the grown-ups took it upon themselves to step out.

Reservations at the various dining resorts had not been too brisk and hoteimen generally conceived a rather poor Christmas business until the day came when it was practically impossible to find a table anywhere and when curfew and other regulations seemed to have completely given way to the zest and joy which filled the bossoms of most Shanghailanders.

Night-clubs and restaurants had special floor-shows for the occasion, whilst even in the most modest of establishments, noise-makers and "souvenirs" were being freely dispensed both on Christmas Eve and the following evening. Last night not quite as many people seemed to be about the city, probably feeling that they would have to get a good night's rest before tackling work again this morning.

The atmosphere that prevailed throughout the city seemed to convey that for a number of days at least, depression and poor business conditions were entirely forgotten, and whilst Santa Claus seems to have been more generous this year than for the past five or six years, it was felt that to stay at home throughout the prolonged week-end would be asking too much.

Clubs were well filled as were restaurants throughout Shanghai, one notable feature being that even the Chinese population seems to have taken up the idea of celebrating Christmas and in this connection it may be interesting to note that one of the most striking illuminations especially put up for the festive season, was seen in front of one of Shanghai's many Chinese cabarets on Bubbling Well Road.

Enjoyable River Trip's

Yesterday afternoon, the various tea-dances advertised by a number of hotels, were well-frequented and quite a number of the more courageous celebrants took advantage of the good weather to go for a long walk or to ride.

Quite a number of Shanghailanders also availed themselves of the Christmas trips sponsored by a number of local steamship companies, and only arrived back here last night, reporting that the weather throughout the trip had been fine as had been all the other arrangements made for their comfort and enjoyment.

Due to the unsettled conditions, those who until last year had been in the habit of going to Hangchow for the holidays, were compelled to remain here again this year, although the jolly spirit with which they celebrated the holidays seems in no way to have under the "strain."

As a whole, children and grown-ups alike seem to have passed through a most enjoyable holiday season even though the long expected snow did not materialize to add more really to the Christmas season.

Junior Japanese Club Founded Here

Shanghai, Dec. 22.

Aimed at establishing a social centre for Japanese youths, the Junior Japanese Club was established in Shanghai on the afternoon of Dec. 20, local Japanese dailies reported yesterday. Membership will be open to all Japanese young men. Fees will be Y.1 a month.

In addition to providing entertainment facilities, the club will seek to promote physical and spiritual culture among its members, the dailies said.

Mr. Nobuya Saka was appointed president. Temporary headquarters were established in the New Shanghai Hotel, 82 Tsungming Road, Hongkew. Construction of a vast club house is projected.

Attending the inauguration meeting, held at the Japanese Club, Boone Road, were Mr. Nobuya Saka, diretor of Police Affairs of the Japanese Consulate-General; Mr. Hiroyasu Akida, chief of the Second Section of the Consular Police; Mr. Masusaburo Amano, president of the Japanese Residents' Corporation, and Mr. Gengo Yasui, chief executive of the Federated Japanese Boy Scouts.

Mrs. Burton Sayer's work party acknowledges with grateful thanks the gifts of money and provisions etc., which have assisted in the preparation of Christmas hampers for indigent British residents in Shanghai.

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Chinese Employer Robbed

Shanghai, Dec. 23.

An old servant, of a rich Chinese living at 80 Seymour Road and two other persons are being detained by the First Special District Court in connection with a series of thefts committed in the residence of the wealthy master. The booty, consisting of both jewellery and cash and a pass book indicating that U.S.$2,000 had been deposited with the Shanghai office of the National City Bank of New York, must be worth a great sum of money and the police have found some of the stolen articles including two pass books.

Since the crimes were committed over a long period of time which fact shows that more investigations are necessary the police have asked the court to postpone the hearing to Dec. 24. The old servant who won the confidence of his master for many years is Huang Tien-hwang, who was the last to be arrested and who is now staying in hospital because at the time of his arrest he swallowed something for unknown reasons. It is expected that he will be able to appear in court at the scheduled time.

It was revealed by the prosecution that Huang recently suddenly disappeared from the residence of his master. Mr. Chen Chi-biao, when the latter was investigating a theft committed in the household. His disappearance aroused suspicions and more investigations revealed that an iron box containing jewellery and some pass books were missing. Since the things contained in the box were not of every-day use Mr. Chen never took trouble to open it for a long time. Mr. Chen also found some pawnshop tickets in the missing servant's room. Both the Central Police and banks concerned were quickly notified, and further investigations brought to light that many stolen articles including gold bracelets, some pearls, a camera, a typewriter, curios and clothes had been mortgaged to pawn shops. These were taken out from the shops.

The first arrest was effected when Huang Yen-ping, a young man living in Range Road, was caught by the Central police while he was trying to cash some money with one of the stolen pass books. He was arrested at the telephonic request from an employee of the Shanghai Office of the National City Bank of New York. Through his alleged confession the second man Liang Tze-ming was arrested.

Following the confession made by Liang, the police went to a hotel in Kweichow Road where they failed to locate the missing servant. In his hotel room, however, the iron box then only containing one pass book of a Chinese bank was recovered, together with a key. The servant was arrested on December 21 in Rue du Consulat having been seen by another servant of the victim by chance. The latter servant asked the French police to arrest him and later he was extradited to the Bubbling Well Police Station.

Steamer Chaksang Delayed by Fire

Shanghai, Dec. 22.

The second ship fire in the port of Shanghai within 48 hours occurred early yesterday morning in the Jardine coaster Chaksang, moored at Buoys 2 and 3, off Kinleeyuan Wharf. The firefloat Poochi, under Mr. W. J. Gorman, Chief Fire Officer of the Customs Harbour Fire Brigade, went to the scene at about 6 a.m. The flames had started in the No. 4 lower hold, at the bottom, underneath the cargo. The vessel's fire-fighting apparatus had been brought into action, but it had proved insufficient to cope with the situation.

Owing to smoke and fumes the firemen were compelled to put on breathing apparatus before entering the hold affected. Even so they were repeatedly routed by fumes and heat, but eventually a portion of the cargo was removed by the firemen and coolies. Thus the Harbour Brigade finally reached the seat of the trouble.

By 9 a.m. the blaze had been brought completely under control, and any danger of spreading to other parts of the ship had been averted.

The Chaksang, when the fire started, was fully loaded with general cargo, including foodstuffs, and was due to sail for Tientsin and way ports at 10 a.m., carrying passengers. The damage was to the cargo only and has delayed the vessel, which went to Pootung yesterday forenoon. The cause of the flames is undetermined, but the Harbour authorities are investigating.

"N.C.D.N." Photo.

Attractive Cathedral Wedding

Bishop F. Houghton of Szechuen on Dec. 20 solemnized the marriage in Holy Trinity Cathedral of Miss F. E. Adams of the China Inland Mission and Mr. E. Smyth, a missionary who is stationed in Linhai, Chekiang province. A number of friends of the couple attended the ceremony. Miss K. McCoy was bridesmaid and Mr. E. L. Kilbourne was best man. Mrs. A. B. Wilson was the matron of honour, while Ann Hoste acted as flower girl. The bride was given away by the Rev. W. H. Warren, a director of the China Inland Mission. After the ceremony a reception was held in the C.I.M. Hospital, 1531 Sinza Road.

Russian is Killed Looting Wire

Shanghai, Dec. 25.

One of a gang of lawless Russians engaged in looting overhead trolley wire in the Eastern district of the Settlement before daylight yesterday was shot and killed by a foreign detective who fired one shot of warning when confronted with the gang in pitch dark. The shooting occurred at about 2 a.m., during the Settlement curfew period, at the intersection of Tongshan and Kwenming Roads, in a district under Japanese military control. The other members of the gang escaped.

The man who was killed was a former conviet, having been arrested and sentenced once for house-breaking. An ambulance was summoned and the wounded looter was taken to the General Hospital. He was beyond recovery, however, and was pronounced dead upon admission to a warder. He had been wounded in the region of the heart.

The fatal shot was fired by Detective Sub-Insp. C. J. MaCahey, in charge of the plainclothes staff at Wayside Police Station. Sub-Insp. McCahey had been apprised that wire stealers were in the neighbourhood by an alert Sikh constable who was at the time on duty at the gate of the station and who saw a weird green flash as the looters contacted the charged overhead wire.

Confronted With Gang

Sub-Insp. McCahey, without losing a moment, grabbed his pistol and a flashlight and charged out of the gate in the direction indicated by the Indian constable, who followed. They were confronted with several dark figures running from the scene of the attempted looting. The foreign detective fired one round from his service pistol in an effort to halt the fleeing men. One of the latter slumped to the ground, wounded, while the others escaped.

The man who was killed was later identified by his fingerprints as having a police record in Shanghai.

In recent months other looters, both Russians and Chinese, have been killed or wounded in the Wayside district and Yangtszepoo by Japanese military who have opened fire on them when they were caught red-handed. Several Russian gangs, engaged in stealing telephone wire and other property in the area, have been apprehended and members of these groups are now serving sentences after having been convicted in the Chinese District Court.

House in Chengtu Road Robbed by Armed Men

Shanghai, Dec. 23.

A gang of five Chinese with two pistols entered House 26, Lane 1050 Chengtu Road, shortly before 10 o'clock yesterday morning and stole some money and jewellery, with which they escaped. The value of the loot was estimated at about $120. No shots were fired.

Memorial Service for Mr. Chun Bing-him

Shanghai, Dec. 25.

A well attended memorial service was held yesterday afternoon in the Huchow Club, Kweichow Road, in honour of the late Mr. Chun Bing-him, compradore of Burkill & Sons Ltd., Canton Road, who died in Macao in August of this year at the venerable age of 77. The meeting was presided over by a presidium of prominent foreign and Chinese business leaders.

After introductory remarks made by Mr. Gockson Kwok, a member of the presidium, several speeches were made by foreign and Chinese friends of late well known Cantonese business leader praising him for his patriotic spirit and his success in business. It was revealed by one Chinese speaker that the late Mr. Chun would never have gone to Macao had it not been for the changed situation in Shanghai.

Memorial pamphlets printed in the Chinese language were distributed at the meeting and the "Pu Yi Band" played the mourning music for the large gathering. A member of the Chun family made a short speech thanking those present. Among those serving on the presidium were Messrs Yu Ya-ching, G. E. Mitchell, G. F. Andrew, W. Mellor, Ling Kung-hou, Gockson Kwok, L. T. Yuan, Yang Mei-nan, Ching Chun-cheng and Wang Bing-yen.

Friend of Community

On behalf of Messrs. A. W. Burkill and C. B. Burkill with whom the late Mr. Chun had many years' connection and who have retired from active business in Shanghai, Mr. W. Mellor of Burkill & Sons Ltd. read a statement written by Mr. A. W. Burkill on behalf of his brother and himself and expressed his own appreciation of the late Mr. Chun as follows: I wish to speak, from my own knowledge, of the extremely pleasant friendship that existed between the Partners and Staff of A. R. Burkill & Sons and Mr. Chun Bing-him. During the whole of my time in Shanghai I have been brought into close contact with him in all matters of business, more especially those relative to land, and have always found him extremely helpful, in his own charming way, in solving the various difficulties and problems that inevitably occur. I feel that not only the firm, with whom he was associated for over half a century, but the Shanghai community as a whole has lost a Chinese friend of outstanding ability, honesty and integrity of purpose, who did so much to foster that spirit of co-operation among all nationalities, which is so essential in this cosmopolitan city, and I can assure you, Mr. Kee Ho Chun, and all members of the family that you can be supremely proud of the reputation for loyalty and honesty of purpose which your late father so justly earned.

In conclusion, I would like to say that I consider the firm of A. R. Burkill & Sons, Ltd. is indeed fortunate in still being associated with members of the Chun family and I am sure that the friendship which has existed all these years between them and the firm will continue and that we can, with confidence, depend upon each other's co-operation and support.

OBITUARIES

Capt. Thomas Fairbairn

Shanghai, Dec. 22.

The death occurred on December 11, at the age of 77, of Capt. Thomas Fairbairn who for some years was employed by Jardine Matheson & Co. Capt. Fairbairn had retired from active service and was living in Hongkew when the Shanghai incident broke out last year. He lost all his possessions at that time, and in March of this year arrived to live in retirement in Ningpo. Deceased was buried in the Ningpo Foreign Cemetery on December 13.

Mr. Freddie Kaufman

Shanghai, Dec. 27.

Mr. Freddie Kaufman, manager of the Cathay Tower night Club, died at 3.30 o'clock yesterday morning following several week's illness. The late Mr. Kaufman came to Shanghai from Berlin some years ago and was at various times connected with the Rubicon Inn and Ciro's Night Club before he became the manager of the Tower.

He was 49 years of age at the time of his death and was often referred to as "the doctor for the soul of people" by his many friends.

Mr. Austin Edmund Lockyer

Shanghai, Dec. 22.

Last funeral rites for the late Mr. Austin Edmund Lockyer were held yesterday afternoon at the Bubbling Well Chapel with the Very Reverend Dean A.C.S. Trivett, of the Holy Trinity Cathedral, officiating. The deceased has been a resident of Shanghai for the past thirty odd years and was well known in business, social and sporting circles. He was an ardent Volunteer, having served with "A" Company, Shanghai Volunteer Corps, for many years.

Mr. Lockyer originally came to China for Holliday, Wise & Co., later joining Alexander Ross & Company with the late Mr. Arthur Crighton. At the time of his demise he was the managing director of the Mercantile Printing Co. (1925), Ltd., the entire staff of which attended the funeral services.

The deceased died suddenly at his residence here on December 19 at the age of fifty-seven years. He is survived by his widow, Jane Russell Lockyer, and two children, Alfred and Lois. The chief mourners at the services were Mr. J. Goldman, brother-in-law, and Mr. A. W. Olsen, a friend of the deceased since childhood. The honorary pallbearers were Messrs. W. W. Mackenzie, W. A. White, F. Rayden, C. W. Rayden, W. J. Gande and D. W. Leach.

A beautiful cross of white flowers from Jane, Alfred and Lois rested upon the coffin. In addition to donations to The Cradle and The Salvation Army, which will be acknowledged later.

Mrs. Alice Emily Knudsen

Shanghai, Dec. 23.

At the Chapel of the International Funeral Directors on Kiaochow Road yesterday afternoon, Mr. A. F. Knudsen conducted the usual Theosophical services over the cremated remains of his late wife, Alice Emily Knudsen.

Mr. A. Lebedeff and Mr. Robert Wright read from various scriptures and occult books and Mr. Hu chanted in Chinese a short Buddhist sutra.

Gambling House Swept By Morning Fire

Shanghai, Dec. 22.

A fire in one of the many Chinese gambling establishments in the western "outside roads" district was extinguished by members of the Settlement Fire Brigade yesterday morning. The fire was at 23 King Ka Hong, off Kiaochow Road, and an alarm was sent to the Bubbling Well Fire Station at 11 o'clock. A quantity of wood stored on the premises was partly destroyed, and the building was damaged slightly. The firemen spent an hour at the scene.

More Jewish Refugees Arrive

Shanghai, Dec. 21.

Some 560 Jewish refugees from Germany and Austria arrived here yesterday afternoon aboard the ss. Conte Biancamano which came alongside the Shanghai and Hongkew Wharf shortly after 2.30 o'clock.

Owing to the difficulties encountered by the committee in charge of these refugees in finding suitable accommodation for them, the Shanghai Municipal Council has placed at their disposal a building at 138, Ward Road which had hitherto been used as a Chinese primary school. The building is capable of accommodating about 350 foreign refugees.

WEDDING

Mann—Grant

Shanghai, Dec. 25.

The wedding took place yesterday afternoon at Holy Trinity Cathedral of Mr. Ronald William Mann, of the Texas Co. (China), Ltd., and Miss Elaine Grant, daughter of Mr. and Mrs. Charles Pearson Grant of Shanghai. Dean Trivett officiated.

The bride, who was given away by her father, wore a gown of white satin cut on princess lines with a short train. The upper part of the high-necked corsage and the long, leg-of-mutton sleeves were of lace. A short, circular veil was worn and she carried a bouquet of lilies, her only ornament being a gold cross at her neck. The bridesmaids were the Misses Lillian Johns and Mary Knox. Their long-skirted princess frocks were of white matt crêpe, the bodices gathered in front and made with shoulder-wide collars of silver lamé and very full long sleeves. Their Juliet caps were of silver lamé and they carried multi-coloured posies. The best man was Mr. R. Guignard and the ushers were Mr. F. C. Grant and Mr. W. J. Dearn.

The bride's mother wore a frock of black marocain trimmed with purple and violets, and a black hat and veil. She carried a bouquet of mauve sweet peas.

After the ceremony a reception was held at 1173 Bubbling Well Road, the residence of the bride's grandmother, Mrs. F. Rawsthorne. The bride went away in a plum-coloured crêpe de Chine dress made with a high collar. Her hat, gloves and shoes were to match, and her accessories were gold.

PERSONAL NOTES

MR. and Mrs. Hugh Middleton left for Hongkong on December 22 by the Wingsang on a short holiday.

MR. Paul Premet, Attorney-at-Law, has just returned to Shanghai from a business-trip to Tientsin and North China.

VICE-Admiral Sir Percy Noble, Commander-in-Chief of the British China Fleet arrived in Hongkong aboard the H.M.S. Kent on Dec. 19.

THE H. O. White Bursary for 1938 has been awarded by the Municipal Council to L. Kleinerman, a pupil at the Public & Thomas Hanbury School for Boys.

MR. R. F. Stewart arrived on Dec. 22 from Tientsin and expects to be in Shanghai over Christmas and the New Year. He is staying at the Cathay Hotel.

AMONG the passengers who arrived in the ss. Carthage on Dec. 26 were—Mr. and Mrs. B. Allan; Mr. and Mrs. H. Jones and family; and Messrs. J. Blackwell, J. Boyce, and McGilchrist.

THE Municipal Council has been informed that Mr. I. Goto, Acting Consul General for Japan, has been elected as a Judge of the Court of Consuls to succeed Mr. S. Hidaka.

MR. and Mrs. Richard Edwards and their infant son arrived from Hongkong by the Biancamano on Dec. 20 and are staying with Mr. and Mrs. Eric Davies at 216 Hungjao Road.

THE announcement has been made at San Francisco of the appointment of Mr. Paul H. Bordwell as Assistant Vice-President of the American President Lines, Ltd., with headquarters in the Orient.

AMONG the passengers arriving by the ss. Empress of Russia on Christmas Day were—Mr. and Mrs. R. Bellaire, Mr. and Mrs. J. S. Potter and Messrs. J. P. Davies, J. S. Clark, D. G. Ryder, W. E. Tyler and J. H. Underwood.

M. PAUL-Emile Naggiar, French Ambassador to China until his recent transfer to the Moscow Embassy, left New York for France on December 26. He will proceed to his new post in Soviet Russia after a brief stay in France.

MR. Mei Lan-fang, the famous female impersonator and idol of the Chinese stage, says the "Ta Wan Pao," is planning to retire from the stage. Mr. Mei has been leading a quiet life in Hongkong and only recently declined an invitation to come to Shanghai to present a series of plays.

MR. A. V. Starr left for Mukden on December 23 by the Dairen Maru, from whence he will proceed to America via Yokohama, where Mrs. Starr, who is leaving Shanghai by the next Empress will join him. They expect to be absent from Shanghai for about a year. Mr. W. T. Sullivan, who has been elected president of the American Asiatic Underwriters, will be in charge of the Shanghai office.

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From the SHANGHAI MUNICIPAL GAZETTE

The "Pei Nu" (Mui Tsai) Question

Report to Municipal Council.

On December 14 the Council approved the minutes of the Watch Committee of December 7, which meeting had had under consideration the report of the Chief of the Industrial Section, in her capacity as Protector of Mui Tsai, and related problems. By its action the Council has approved the following principles:—

1.—The Shanghai Municipal Council should follow the concept developing elsewhere and decline to recognize any "pei nu" status or any status in any way suggestive of servility.

This implies that there should be no separate register of "pei nu."

2.—The Council should again follow the emphasis elsewhere developing and express its sense of responsibility for transferred children and adolescents by seeking by all available means to have such reported to Council officials concerned, and by offering protection to them.

To implement these principles the Council will set up a small Child Protection Section. The present title of "Protector of Mui Tsai" which the Chief of the Industrial Section concurrently holds, will be changed to "Chief, Child Protection Section," and a small group of Chinese women social workers will be associated with the work of the Section. The principle of close collaboration with Chinese and foreign organizations in the field of child protection is also laid down.

This report is the result of the Council's decision early in 1937, when, in the words in which the decision was communicated to the League of Nations it was the view of the Council that

"the first step in tackling the problem is to entrust to competent persons the task of protecting those Mui Tsai who need protection. The Council has, therefore, decided to entrust the supervision of Mui Tsai to the Council's Industrial Section. Miss E. M. Hinder, who is in charge of the Council's Industrial Section, has under her competent workers who are not only familiar with factory problems, but also have studied such questions as the working conditions of apprentices and the problems of child labour. It is considered that Miss Hinder should be able to afford protection to those who need it, and also should be able to collect information and material for the Council in order to enable it to consider and decide what further steps should be taken either in the direction of registration or in some other direction."

By decision of the Council the report in full will be forwarded to the League of Nations. The report in an abridged form, and omitting the detailed appendices, follows:

In February 1937 the Council placed on the Industrial Section the task of "offering protection to 'pei nu' needing it, and collecting information and material for the Council in order to enable it to consider and decide what further steps should be taken, either in the direction of registration or otherwise."

The term "pei nu" is that used by the Chinese Government in its reports to the League of Nations to define girls transferred, usually for a monetary consideration, to those not near relatives, and put, without remuneration, to domestic tasks. In South China the condition is described by the words "mui tsai."

In September, 1937, a special social worker was engaged to assist the Chief of the Industrial Section in the task. In the year which has elapsed since, the city has been in abnormal condition throughout, and a state of overcrowding and dependency among thousands of refugees still exists. Under these circumstances it has been difficult to make the kind of study previously planned, wherein some quantitative assessment of the size and importance of the problem of "pei nu" was envisaged. Instead, the city has had thousands of homeless children and adolescents of many kinds: and viewed proportionately, the fate of girls who are transferred from their parents to the control of and into the domestic employment of mistresses, but who have at least a shelter and food, may seem not so dire.

Nevertheless it is recognized that the "non-free" condition of "pei nu," which is the reason of the general concern for them which is felt in the League of Nations Slavery Committee, is of continued importance, and the existence of emergency situations does not liquidate responsibilities of authorities.

Protection of "Pei Nu"

1.—In pursuance of the instructions of the Council that the Chief of the Industrial Section should "offer protection to those needing it" the arrangement has been made with the Deputy Commissioner of the Shanghai Municipal Police, Crime Branch, that information be given of all cases of girls coming to the attention of the police where it was proposed to seek from the Court an order for their disposition. "Pei nu" cases before the Court almost always involve cruel treatment at the hands of their mistresses. It is not an offence to keep a "pei nu" in the Settlement, since the Chinese Government Regulations of January 1936 are a ministerial order and not applicable in the First Special District Court. "Pei nu" brought into the Court have been found by the police after running away from their mistresses, or the cases have been reported by neighbours, or in some other way. Among this group would therefore be girls needing protection.

In the twenty months period since February 1937 when the special study of "pei nu" began, there have been 32 cases involving "pei nu" in the Court. Of these, only three were returned by the Court to their mistresses, the remainder being placed by order of the Court in one of the institutions accustomed to receive girls. In all of these 32 cases the social worker has made a detailed study of the case, and has attended the Court to recommend to the judge what action should be taken.

A report of the institutions available for the reception of unwanted girls was made in the 1937 report to the Council. In practice the First Special District Court assigns girls to four institutions only—two of the Door of Hope, one of the Association for the Relief of Women and Children, and one of the National Child Welfare Association. The resources of all of these have been taxed to the full by the emergency, and the largest, that of the Association for the Relief of Women and Children, is still in very crowded temporary premises, its original dwellings in Kiangwan having been destroyed. The emergency situation arising from hostilities has also brought into being some special refugee camps for orphaned, lost and needy children, whose numbers have reached thousands. One of the best camps has been operated by the National Child Welfare Association.

In the emergency situation in Shanghai, where over-crowding has been so great, it has not seemed possible to seek suitable homes for the boarding out under supervision of girls needing protection. Yet it is recognized that institutional care does not constitute the best arrangement that can be made for children needing the protection of authorities. A study of new approaches must be made when conditions shall have become more normal*.

The social worker has given her time to the study particularly of three types of girls—of "pei nu," of girls sold into prostitution, and of girls in the control of middlemen, who profit by their labour. In addition, 131 cases which do not fall into the categories above have been referred to the social worker. She has not been able to follow up each case as she should, her time being fully taken up otherwise. The following analysis will indicate, however, how wide is the group which needs the protection of the authorities:

Abduction cases	95
Cases of Rape	14
Assault cases	7
Dancing girls, "girl guides"	2
Prospective daughters-in-law ill-treated	2
Girls saved from prostitution	5
Girls abandoned	3
Girls employed as maid	3
	131

"Girl Guides" is a new manifestation. Bureaux offer to provide visitors to the city with "girl guides," who are young girls often at the whim of those who pay for their services.

An analysis of the 95 cases of abduction is informing. The majority of the 95 cases, namely 40, were in the 15 to 19 age group when abducted, while the next highest number, 17, were between 20 and 24; 18 women above the age of 25 were abducted, and twenty children below the age of 15.

The purpose for which the abduction was undertaken is given in the table below:

	Cases
Sold into prostitution	25
Intended to be sold into prostitution, but police intervened	30
Sold as dancing girl	2
Sold as "pei nu"	2
Sold as wife	2
Sold as actress	1
Sold as adopted daughter	4
For rape by abductor	8
Incomplete information	1
Purpose not known	20
	95

*1938 Report, Committee of Experts on Slavery, League of Nations. P. 95.

Two of these cases referred to boys aged 6 and 8 who were abducted: the remainder were girls. The four adopted daughters were found in the houses of four separate brothel keepers. Eight of the girls sold into prostitution were raped by their abductors before being sold.

In 67 cases girls were restored to their relatives or sent back to their homes in the country. Eighteen cases were placed in an institution by order of the Court. Two were placed under the jurisdiction of a court in a Chinese city.

Basis for Consideration of Policy.

2.—The second approach to the problem has been the making of a series of studies to enable a recommendation to be made to the Council as to what steps should be taken with regard to "pei nu."

In the 1937 report to the Council, the emphasis was made that the question of "pei nu" was only one of several manifestations of a social situation which has an economic cause, where girls are transferred. As will be shown later in this report, this emphasis received endorsement from the Slavery Committee of the League of Nations, which had from other sources received reports of the same general tenor. Case histories have accordingly been taken, firstly of 176 girls who are "pei nu" or in domestic condition nearly allied to this: secondly of 72 girls who have been sold or mortgaged into a life of prostitution: thirdly of 27 girls bound by contract to a period of service in industrial undertakings where their earnings are the property of a contractor.

Only a partial picture would have been presented if the study of "pei nu" only had been made, for unless the custom of transfer of girl children into the control of others than their immediate relatives and into domestic employment, which is the essence of "pei nu," is seen in relation to other conditions which may have common features with "pei nu," there cannot be an intelligent recommendation as to administrative action regarding "pei nu." In the question as to whether administrative action should be taken in respect of one group, the larger field must be seen.

In all three types of "transfer," whether for a longer or shorter period, money passes between the person transferring and the person to whom transferred. "Pei nu" as a rule being transferred at an early age, the amount of money passed in respect of them is small—from $20 to $50 in most cases. In respect of the girl "mortgaged" for a period of years into prostitution, the sum demanded is found in the studies to be higher than when a girl is disposed of outright to the brothel keeper, and in both cases more than for a "pei nu." No girls interviewed were "mortgaged" into prostitution for less than $100 for a three year period while there were several cases of girls disposed of for an indefinite period for less than this amount. Presumably some more enterprising entrepreneur, who knows how to create values, handled the girls who are mortgaged. The sum for which girls are bound into labour for two or three years is only from $30 to $45.

It is important to realize the attitudes of the Chinese Courts toward the question of money in a transaction involving transfer of children and adolescents. A test case was taken by the Shanghai Municipal Police into the First Special District Court in 1937, and given in detail in the 1937 report which was forwarded by the Council to the League of Nations Slavery Committee. The judgment delivered on April 19 declared not guilty an amah charged under Article 296 of the Chinese Criminal Code, for disposing of a child for a sum of $30, for which she had paid $16. The Article reads:

"Whoever causes another to become a slave or to live under conditions similar to slavery shall be punished with imprisonment for not less than one year and not more than seven."

The Police case was based on the view that the article was infringed by "buying and selling a child so that her liberty was restricted in circumstances similar to slavery." Commenting on this case the Municipal Advocate stated "The decisions of the Chinese Courts are not clear as to what constitutes slavery. What they state is that before a conviction can be obtained, it must be proved that a person alleged to be a slave is treated as a slave and deprived of his or her right of self control.... The general policy of the Courts seems to be that the buying and selling of children is not illegal, provided that the child is bought for the purpose of adoption."

It is commonly claimed, if a person other than a near relative is in possession of a child, that the child is "adopted." The Chinese Civil Code, Sections 1072 to 1076, provide for legal adoption of children: but in none of the cases which has had the claim of adoption proffered for it was there any legal sanction for the claim.

The general economic picture of the homes from which transferred girls come can be drawn from all three studies. The occupation of the breadwinners show in all three groups that the largest number were engaged in agricultural pursuits, with artisans and petty business men coming next.

The relationship of the person conducting the transfer is also shown in all three groups. In the "pei nu" group, in one-fifth of the cases both parents were responsible for the transfer, and in one-fifth each the mother and the father separately took part. Almost every other conceivable relationship acted in other cases. Among the girls sent into prostitution, again approximately one-fifth of the cases were transferred by both parents, and one-fifth by each parent singly, though a larger proportion of intermediaries not relatives of the girl was found. In the case of contract labour, the parents in almost all cases were parties to the transfer.

The Administrative Policy.

3.—The studies referred to in the foregoing section have been made in response to the Council's instruction to "collect information and material for the Council in order to enable it to consider and decide what further steps should be taken (in respect of 'pei nu'), either in the direction of registration or otherwise."

It is immediately obvious that there is a wider custom of transfer into the control of others than is exemplified in the "pei nu" group. This view, as stated above, was expressed in the 1937 Report on "pei nu" forwarded by the Council to the League of Nations Slavery Committee and was found by the Slavery Committee to coincide with a similar conception expressed to it from other sources.

The Chinese Government delegate to the Sixth Committee of the League of Nations Assembly in 1937 (who is Chief of the Chinese Government delegation and its representative on the Advisory Committee on Social Questions), stated that the problem of "pei nu" can best be considered as part of the larger problem of child protection. The United Kingdom Government in its official communication to the Slavery Committee also indicated that the work of the protection of women and children is intermingled with the problems arising out of the "mui tsai" or "pei nu" system. The Malayan Governments have accepted in principle the minority report of the Commission on "mui tsai" in Hongkong and Malaya published in 1937. This recommended repeal of existing "mui tsai" legislation, the abolition of the legal status of "mui tsai" and the introduction of entirely new legislation for "child protection."

During the absence on long leave of the Chief of the Industrial Section in 1938, opportunity was taken to call in the League of Nations Secretariat, and the International Labour Office in Geneva on those permanent officials whose work includes consideration of "pei nu" and related problems of child welfare and employment.

In London there were two discussions with Sir George Maxwell, Vice-chairman of the Slavery Committee and H.M. Government delegate to this Committee. A call was paid also on Miss Irene Ward, M.P., substitute delegate from Great Britain to the League Assemblies of 1937 and 1938, and member of the Fifth or Social Questions Committee of the League. Miss Edith Picton-Turbervill, author of the minority report of the "Mui Tsai Commission" in Hongkong and Malaya was also seen. In Ottawa, Canada, a call was paid on Miss Charlotte Whitton, Canadian Government delegate for many years to the Advisory Committee of Social Questions of the League.

It is felt that these calls have been of value in that it has been possible to explain the situation in which the Shanghai Municipal Council is an administrative and not a law-making body. Further, the point was again stressed, which was made in the Council's 1937 Report to the Slavery Committee of the League, and previously in this report, namely, that the "Pei Nu" Regulations of the Chinese Government, promulgated January 1936, are a ministerial order, not duly enacted by the Legislative Yuan, and hence are not applicable in the Shanghai First Special District Court, which is the Chinese court in the International Settlement.

It was possible also to have access to reports and documents covering policies of other governments in problems of transferred children. So that the recommendations which this report will make to the Council may be adequately based, the situation in other countries will be shortly outlined. The Council, as a late comer into the field of seeking the best means of offering protection to young transferred girls in domestic employment, is in the useful position of being able to observe the working of efforts elsewhere. It would be a loss if the results of these could not constitute some guide to the principles on which Council action could be planned.

Viewing efforts to protect "mui tsai," in Hongkong, the "Female Domestic Service Ordinance, 1923" prohibited any engagement of new "mui tsai" (or "pei nu") after its date, any importation of new "mui tsai" into the colony, and any transfers of existing "mui tsai" except in the case of the death of the employer. Part III of this ordinance, which provided for the registration, remuneration and inspection of "mui tsai," did not come into effect until December 1, 1929. Registration was allowed until July 1930, and thereafter it became an offence to employ an unregistered "mui tsai." These offences when detected are severely punished by the Courts.

One apparent weakness of the attempt to register "mui tsai," in the view of informed persons, lies in the fact that it has not yet been possible to define a "mui tsai." The ordinance states that a "mui tsai" includes certain kinds of female domestic servants, but does not give a list of them. Seeing that in Chinese life it is almost impossible to differentiate between cases of "mui tsai," adoption, "quasi adoption," prospective daughters-in-law, and other gradations, the defining of one group as being "mui tsai," and subject to inspection, becomes a difficult question. As the minority report of the "mui tsai" Commission states*

"The fact that the status of "mui tsai" is difficult to define creates a dangerous situation. That a transferred child stands in peril is abundantly clear.....We must abandon the attempt to define and legislate separately for the mui tsai, and instead apply the machinery of protection—i.e. notification, and where necessary inspection—to all transferred girls under 12 years of age....I am convinced that this intricate problem cannot be solved by compartments, and that unless such generalized protection is given, many of the old evils will crop up again in different categories under different forms."

In Malaya, the Protector of Children, Kedah, asked the Commissioners "what is a 'mui tsai?'" and answered his own question by saying "in many cases it is a matter of opinion." Similarly, the Protector of Chinese, Selangor, told the Commissioners "our policy in registering 'mui tsai' depends on how 'mui tsai' is to be defined." The detailed mention which "quasi adoption" and "prospective daughters-in-law" receive at the hands of the Commission's majority report indicates the impossibility of distinguishing them from "mui tsai."

When there is therefore such uncertainty in the words of the law and in the minds of officials in other countries where "mui tsai" exist, it is obvious that the enforcement of any laws or regulations on the subject must be a very difficult matter.

A debatable aspect of the methods in force in Hongkong is stated to be that by registration there becomes an official recognition of a servile class. The term in Hongkong is stated to have acquired opprobrium and is resented by those to whom it is applied. The author of the Commission's minority report has in consequence made the clear recommendation that the existing "mui tsai" legislation should be repealed, and with this would go the abolition of the "mui tsai" status.

These two considerations would need to be carefully observed when attempting to indicate whether or not "registration" of "pei nu" should be undertaken in Shanghai.

Early legislative action is forecast in Ceylon in respect of *quasi* adopted children. The State Council has considered a report on the subject and endorsed it in principle, and has officially notified the League of Nations that necessary general measures of child protection shall be introduced.

In India, the Native State of Hyderabad has seen the problem of "unwanted" children in a wide aspect, and has dealt with it on broad lines. In 1934 an Act entitled "Unclaimed Children's Protection Act," was passed in order to "protect the interests of and to prevent the ill-treatment of children that are illegitimate or are unclaimed or are handed over by their parents or relatives to be brought up by other persons." The act provides that every householder who intends to maintain any child under the age of 12 years shall notify the District Officer who shall register the child, unless for reasons he considers the registration unnecessary. Special clauses deal with children between the ages of seven and 12 who are in domestic employment. The Act came into force in 1938, the intervening period being used to make

*Mui Tsai in Hongkong and Malaya. Report of Commission. Colonial No. 125, 1937. P. 226.

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the new law known and to train the officers concerned in its application. In the first month in one part only of Hyderabad City in which a preliminary trial is being made 377 children were registered—116 orphans, unwanted and illegimate children, 74 children handed over by parents, 187 domestic servants under 16 years of age.

Commenting on this Act Sir George Maxwell has written:—

"The keynote is the recognition of the fact that when dire poverty compels parents to get rid of their children, the practical and humane method is to ensure the well-being of the transferred children . . . In China, Hongkong and Malaya, the failure of mui tsai legislation is due to official blindness to the elementary fact that a social and economic custom is not eradicated by prohibition."

In the International Settlement any compulsions of any kind must, in so far as they concern Chinese people, be backed by and delimited by the legislative action of the Chinese Government. What view has this government taken of the "pei nu" question, and how does this conform with the views developing elsewhere on the subject of the methods to be used in their protection?

The Chinese Government Regulations of January 1936* (which as stated before in this report are inapplicable in the Settlement), required that all those in whose homes "pei nu" were should free them, and the local authorities should make provision for homes for their reception. Though the means to carry out the latter part of the provisions were lacking, the principle under which the Regulations were drawn apparently coincides with that developing elsewhere. The Regulations required no register, but the freeing, of girls. They gave no legal status to the group "pei nu," which would have been implied had the procedure of registration been adopted. Recent enactments and statement of principles in other administrations and informed quarters tend toward the view that there should be no administrative action which singles out "pei nu," this condition being in any case almost impossible to define. It is becoming recognized that there should not be any separate and by implication servile group known as "pei nu," in consequence there should be no register of "pei nu." The emphasis is rather that the authorities should be concerned with any transferred children and adolescents, for whatever purpose transferred and whether temporarily or semi-permanently, into the control of others.

The situation as regards girls transferred into prostitution in other countries, as in China, is simple in law. Trafficking in women is a criminal offence and punishable, and police authorities are alert in the apprehension of those found guilty of the offence. But it is obvious that those comparatively few cases for whose disposal the Municipal Police make application do not represent any considerable proportion of the total. Nevertheless in any consideration of transferred girls, the group in houses of prostitution probably stand in greater need of assistance and protection than others.

So far as girls under contract labour are concerned, there is nothing contrary to law in an entrepreneur undertaking to obtain work for another and being remunerated for this service. The custom is widespread in China. There is, however, something which calls for the attention of authorities when large groups of girls are removed from country surroundings, and from the care of their parents (even if at the instigation of the parents), and are placed in the control of another, who profits unduly out of the work of the girls. Mill managers may not be aware that certain of their employees are in the hands of middlemen. Entrepreneurs who go to the country frequently do so as an enterprise of their own. Though mill managers may not be a direct party to the poor conditions of lodging and poor food to which the girls are subject at the hands of contractors, they must nevertheless be aware of these. Whether the responsibility for conditions lies with the contractor or the management, it is obvious that a large group of adolescents are in a situation where they need the protection and supervision of authorities.

Conclusions and Recommendations.

This inclusive approach to the question of transferred girls, though in line with thought developing among authorities elsewhere, makes any recommendation as to administrative action in the International Settlement difficult to frame when the possibilities are viewed realistically. The very size of the problem would tend to the idea that little could be done. It may nevertheless be well for certain principles to be admitted, even if, for practical reasons, they cannot be fully carried out. They may be framed as follows:

1. The Shanghai Municipal Council should follow the concept developing elsewhere and decline to recognize any "pei nu" status or any status in any way suggestive of servility.
   This implies that there should be no separate register of "pei nu."
2. The Council should again follow the emphasis elsewhere developing and express its sense of responsibility for transferred children and adolescents by seeking by all available means to have such reported to Council officials concerned, and by offering protection to them.

It is realized that reporting would be incomplete, especially where the law is being contravened. But Shanghai has had other examples of administrative approaches to problems which are not backed by compulsions because the power does not lie within the Council to compel. These partial steps have been useful if not wholly successful. The enunciation of Council requirements has tended in other directions toward their being carried out. It is therefore believed that a beginning in the reporting of transferred girls can be made, and that the numbers reported are likely in fact to exceed the ability of the authorities immediately to deal with them.

From the preceding pages of the report it will be seen that, merely because there existed in the Council's administration one woman social worker, many cases of girls in need of protection were reported to her. Her information came from a variety of sources, some of them such as in advance would not have been expected to be useful. With formal and repeated enunciation of the Council's policy and requirements, with the use of publicity methods, with close collaboration with Chinese and foreign organizations in the field of child protection, it is certain that a great many cases will be reported. Administrative beginnings will then have been made so that, if in future there can be compulsions based on national legislation, some progress shall have been made, and in the meantime many girls shall have been assisted to a happier life and saved from a degrading one.

To implement the principles outlined above, then, specifically it is recommended that

1. The Shanghai Municipal Council should seek by all available means the reporting of transferred children and adolescents to the Council officials concerned.
2. There should be set up a small Child Protection Section. The present title of "Protector of Mui Tsai" which the Chief of the Industrial Section concurrently holds, should be changed to "Chief, Child Protection Section."
3. Miss Chi Chih-ting should be confirmed in her appointment as assistant, and she should be considered the nucleus of a small group of Chinese women assistants acting as supervisors under the Chief of the Child Protection Section.
4. There should be close collaboration with Chinese and foreign organizations in the field of child protection.

*Report Committee of Experts on Slavery, League of Nations, 1936. P.75

Municipal Staff

Order Book Extracts, Dec. 10-17.

Fire Brigade.—Assistant Station Officer M. M. Louttit is promoted to be Station Officer from January 12, 1939.

Long leave is granted to Assistant Station Officer J. W. Currie from March 23, 1939.

Police Force.—The following are appointed Probationary Sergeants on probation from the dates specified:—

J. O. Egeberg from December 5, 1938.

J. MacAulay from December 8, 1938.

V. N. Zborovsky from December 10, 1938.

C. T. Tabensky from December 11, 1938.

P. A. Bojesen is appointed Assistant Warder on probation from December 15, 1938.

The resignation of Woman Assistant L. V. Isaeff is accepted with effect from January 17, 1939.

Assistant Warder J. J. Wallace is promoted to the rank of Warder from December 2, 1938.

The resignation of Sergeant W. B. H. Duke is accepted with effect from January 9, 1939.

Long leave is granted to the following from the dates specified:—

Superintendent C. J. Bull from February 6, 1939.

Chief Inspector O. B. Perkins from March 28, 1939.

Inspector L. Myerscough from March 1, 1939.

Sub-Inspector J. W. W. Tulloch from April 29, 1939.

Sub-Inspector D. F. Watson from April 30, 1939.

Sergeant A. W. Rose from January 28, 1939.

Sergeant S. H. Holtam from February 28, 1939.

Sergeant W. A. Nicoll from February 28, 1939.

Sergeant W. G. Stevens from February 28, 1939.

Sergeant J. W. M. Dickson from February 28, 1939.

Sergeant W. H. Boreham from March 12, 1939.

Sergeant A. E. Kyte from April 11, 1939.

Sergeant D. B. D. Henchmen from April 22, 1939.

Sergeant L. W. Brace from April 30, 1939.

Warder J. Black from March 25, 1939.

Warder G. S. R. Hall from April 1, 1939.

Public Health Department.—The Council records with regret the death, on December 9, 1938, of Miss A. Z. Davies, Assistant Matron.

The Council records with regret the death, on December 11, 1938, of Miss J. M. Martin, Matron.

Staff Nurse H. Smith is promoted to be Sister from December 28, 1938.

Miss M. Robinson is appointed Staff Nurse from December 12, 1938.

Long leave is granted to Mr. W. D. Wells, Departmental Secretary, from February 20, 1939.

Finance Department — Revenue Office.—Mr. A. Wurm is appointed Clerical Assistant on probation from January 1, 1939.

Long leave is granted to the following from the dates specified:—

Mr. L. F. Payne, Assistant, from April 8, 1939.

Inspector H. J. Christensen from May 1, 1939.

Assistant Inspector J. W. Robb from April 1, 1939.

Assistant Inspector F. D. Harris from April 20, 1939.

Legal Department.—Mrs. A. L. Dodge is appointed Secretary on probation from December 1, 1938.

By order,
G. GODFREY PHILLIPS,
Secretary.

Fire Brigade Report for November

The Chief Officer reports:—

During the month 103 calls were received. These are classified as:—

Genuine Fires	85
False Alarms (Good Intent)	10
Chimney Fire	1
Special Calls	7

The damage at fires which the Brigade attended within the Settlement and Special Rated Area was estimated at:—

Within the Settlement	$ 92,857
In the Special Rated Area	11,420
Total	$104.277

The most noteworthy fire occurred on the 19th, when, at 12.45 a.m., Central Division turned out in response to a telephone call and found a dwelling house at No. 49, Lane 237, Canton Road, which had been converted into a vacuum flask factory, well alight on both floors. The flames had already spread, via the roof, to adjoining property on the east and west flanks and had also crossed both front and rear alleyways igniting exterior wood-work on adjacent buildings. With three rows of property thus actually affected, an extensive block of hongs and dwellings of old construction was seriously threatened, but prompt work on the part of the detachment in getting two pumps to work quickly brought the fire under control and prevented it from spreading far beyond the stage it had reached when the Division arrived, damage to premises other than the original being only slight. The vacuum flask factory, however, was gutted and its contents suffered very severely.

A number of persons were sleeping on the premises at the time of the outbreak and, considering the rapidity with which the fire spread and involved the whole of the building, they were fortunate to have escaped uninjured.

Emergency Ambulance Service.—During the month 657 calls were received and in connection therewith 714 patients were conveyed to various hospitals.

Public Library Committee

Major A. Bassett has accepted the invitation of the Municipal Council to fill the vacancy on the Public Library Committee caused by the recent death of Capt. C. T. Hutchins.

Consular Information

The Municipal Council has been notified that Mr. I. Spilwanek, Consul-General for the Union of Soviet Socialist Republics, has resumed charge of the U.S.S.R. Consulate-General.

LETTERS TO THE EDITOR

These should be typed on one side of the paper only, with double spacing. Publication does not mean that the statements and arguments of the authors are necessarily endorsed by the "North-China Daily News." Correspondents desiring the return of manuscripts not accepted by the Editor are required to enclose a self-addressed, stamped envelope. Acceptance or rejection of letters is solely within the discretion of the Editor whose decision is final, and who will enter into no correspondence in connection therewith.

"Agni Ioga":

Anti-Christian Teaching

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—I have noted with appreciation your remark, that appeared in yesterday's issue of your esteemed paper, to the effect that you will leave space for letters touching the problem of religion. Taking advantage in this connection I hereby wish to touch the problem of Antichrist *en grand.*

It is a well-known fact, that in Paris, Berlin, London and New York there have appeared a number of books on occult and mystical problems under the tile of "Agni Ioga," that means—the Ioga of Fire (inspiration).

Thousands of people consider these books as a revelation of a sublime truth, a revelation of eternal spiritual wisdom. However, their content is clearly antichristian. These books are propagating the coming of a great prophet, of a teacher who is to unite humanity and solve all complicated economical problems, thus establishing a "Paradise on Earth." The teaching of Agni Ioga, rejects, however, the sacrifice and mystical revelation of our Saviour. Angi Ioga rejects the fact that Christ is the Son of God, it also rejects the fact of His resurrection, the transmutation of matter, His victory over Death and life eternal in the materialized Kingdom of God. Thus, the Agni Ioga rejects the main principle of Christ's teaching—it also tries to convince its readers, that Christ was a prophet similar to Buddha or Lao Tse, that He is a great teacher, but not an actual Son of God. Agni Ioga prophesies the coming of the "fifth" Buddha, the Maitrea, who, according to Christ, is the expected Antichrist.

The corrupted human mind, which is unable to grasp the divine and to comprehend the phenomenon of resurrection and transfiguration, naturally admits, that this teaching of the Agni Ioga is extremely logical and even "scientific." However, all those who have had spiritual experience in Christ are convinced in their knowledge, that Christ was and is the only Being that has actually performed the transfiguration and transmutation of matter, that He has actually conquered Death by uniting the bi-polar energies of life. Real followers of Christ shall be in the position to distinguish the lie propagated by the Antichrist, whereas those who have not had the said spiritual experience will fall into the trap and consider Antichrist as being the real Saviour.

Life eternal, according to Christ, is the consequence of the transfiguration of matter in and by spiritual energies. The Antichrist, however, rejecting the mystical influence and value of Jesus, propagates the possibility of achieving eternal happiness in the natural, untransformed human body. Being much more accessible to the natural and spiritually undeveloped human mind, the Antichrist shall be recognized by hundreds of millions of people and real Christians will be prosecuted for being persistent in their ancient faith. However, the latter will be victorious in their final struggle for truth and the unspiritualized human mind, that has recognized Antichrist as its highest incorporation, shall have to surrender to the revelation of Christ's supernatural wisdom.

The Antichrist nourishes and propagates the spirit of pride, the spirit of self-determination and egotism, whereas the Holy Spirit reveals and supports the tendency to sacrifice one's life for the sake of all.

Christ said: "Love thy neighbour as thyself," adding that this love is similar to the comprehension of God. In other words, Christ's love or the Christian love has nothing in common with human goodwill. I might want to have a car, a luxurious apartment and hundreds of other nice things and, in loving my neighbour as myself, I should wish the same things to my neighbour. This, however, is not what Christ meant to say. According to Christ, in loving my neighbour I must try to develop his spiritual qualities, his love to God, wisdom, the ability to sacrifice and create spiritual virtues. The spirit of Antichrist propagates the natural, unsanctified love to one's neighbour and here again Christians will have to be clever enough to distinguish the right from the wrong.

The coming of the Antichrist had been predicted to take place after the resurrection of the Roman Empire. Antichrist is supposed to be the dictator of dictators and those who are in possession of a clear spiritual vision may come to the evident conclusion that the political and economical situations in the world are becoming more and more suitable for the latter's coming.

L. V. G.

Shanghai, Dec. 18.

H.M.S. "Bee":

"She's Had a Busy Day"

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—The advertisement concerning the disposal of H.M.S. Bee and the notice of the arrival of her successor H.M.S. Scorpion appearing in your paper to-day reminded me of a concert given by the Officers and men of the Yangtze Flotilla in the Victoria Hall, Hankow, on February 12, 1937 at which the following song, composed by an Officer in H.M.S. Bee was sung:—

H.M.S. Bee—launched twenty-one years ago this month—will shortly be replaced as flagship of the Yangtze Flotilla by a new gunboat now building at home, to be called Scorpion. H.M.S. Bee will have spent eighteen years of her life on the Yangtze when she is sold for breaking up early in 1939.

(To the tune of "Little Man, you've had a busy day").

It's her last commission
Soon she'll turn the bend;
She is nearer paying-off each day.
She is such a very
Little ship—she's had a busy day!

She has ploughed a furrow
Half-way round the world,
Eastward to the magic of Cathay
Now her time is ending;
Little ship—she's had a busy day!

Throbbing of her engines
Thunder of her guns
Splashes of the falling shell!
Flutter of her bunting
Glimmer of her paint
She must have a tale to tell!

Anchored in the Gorges—
A thousand miles from sea—
Listen—while the echoes die away:
Laughter of her parties—
Little ship—she's had a busy day!

Think of what she stands for!
Think of what she means!
Think how many know her far away!
They'll regret her passing—
Little ship—she's had a busy day!

Music of her bugle,
Flurry of her wake—
Action, with the awnings furled!
Fluttering of signals—
Tapping of the key
Signalling across the world!

When she enters harbour
For her last long rest
Through the dusk the flashing lamp will say
"Transfer Flag to Scorpion"—
Little ship—she's had a busy day!

February 12th., 1937.

I send you this in case you and many of your readers who have enjoyed the hospitality of the Officers of H.M.S. Bee may find it interesting.

FORMER HANKOWITE.

Shanghai, Dec. 21.

Child Beggar:

And His Exploiter

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—We have been told that Miss Eleanor Hinder has been appointed by the Shanghai Municipal Council to serve as special guardian of the children of Shanghai.

That is welcome news indeed. A few days ago as I was walking along Yu Ya Ching Road, a tiny child, kneeling on the cold pavement, begged from me. I stopped and said to the child, "Come with me and I will give you a good place to live, good food to eat, warm clothing and a chance to study." A crowd gathered, of course, and someone asked, "Where are you going?" I answered, "Just now I am going to Moore Memorial Church." "Go with this woman," the people urged the child, "She will take you to a good place." The wee youngster put up his little hand to take mine when a man appeared from nowhere, and grabbed the child away. "You can't have this child," he growled, "We have three of them and we depend on them to make our living." He hustled away so quickly that there was no following him.

As you know, the National Child Welfare Association is taking care of all children sent in until there is no more room in their own institutions. There is still room for more children. When these places are filled we shall take up the matter with other orphanages and welfare institutions and camps who are doing excellent work. There is now no excuse for this sort of thing on the streets of the Settlement or in the French Concession. The people of Shanghai are wonderfully generous in support of all such charities, and we hope that all who are interested in children will cooperate in this great task of clearing the streets of all beggar children.

(MRS. W. A.) IDABELLE LEWIS MAIN.

Shanghai, Dec. 23.

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LETTERS TO THE EDITOR (continued)

Do Angels Sing?:

No Mention in Scriptures

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—At this Yuletide season when sermons, hymns and Christmas messages abound with references to the song of angels, may I be permitted to record, as a matter of interest to some, that there is never a mention in the Scriptures of angels singing.

"Hark! the herald angels sing," may be excellent hymnology but it's hardly correct theology, and the whole idea of angels engaged in song is a popular misconception of the passage in St. Luke's gospel with reference to the praise of the angelic host at the Nativity. May I quote this passage: (Luke ii, 13/14:—

> And suddenly there was with the angel a multitude of the heavenly host praising God, and saying, "Glory to God in the highest, and on earth peace, good will toward men.

It should be carefully noted that the divine record explicitly states that the angels were saying, "Glory to God in the highest!" Angels are never said in the Scriptures to sing, and for this reason: A song is made up of major and minor chords, or of both combined, and the angels can furnish neither. The major chords are the chords of victory, whereas the minor chords are associated with death and sorrow.

There is that in fallen man which makes him responsive to the minor tones so universally found in nature—the song of the nightingale is the sweetest on earth, and yet there is none sadder. Nature is fallen, and its natural tones are in the minor key, but in the redemption of fallen nature there is struck the note of victory. Music is made by lost ones, redeemed from their lost estate. The angels are unfallen; they know nothing of human wretchedness or sorrow; they cannot strike the notes of victory; they cannot, like redeemed men, join in the ascription of praise to One who has brought them out of a horrible pit, and out of the miry clay, and set their feet upon a rock, and established their goings and put a new song in their mouth. Angels do not sing.

BIBLIA.

Shanghai, Dec. 23.

"Bread":

A Leader Corrected

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Regarding your interesting editorial "Bread," of December 14, may I call attention to the fact that the Encyclopedia Britannica, 11th edition (1910-11) in an article "English Bible," disagrees with your statement that after the Lord had opened the King of England's eyes in 1538, "England had secured free and untrammelled access to the Scriptures, for the next 400 years, with the exception of the brief period of Mary's reign, continued to have it." The Encyclopedia says, "the closing years of Henry VIII's reign were characterized by restrictive measures as to the reading and use of the Bible. Tyndale Version was prohibited by an act of parliament, 1543; at the same time it was enacted that all notes and marginal commentaries in other copies should be obliterated, and that 'no woman (unless she be a noble or gentle woman), no artificers, apprentices, journey men, servingmen, under the degree of yeomen.... husbandmen or labourers' should read or use any part of the Bible under pain of fines and imprisonment.'" This could not be attributed to Henry's Romanism, for the break wih Rome had come in 1534. We read that before the break, Henry in 1530 had issued a commission of inquiry respecting the expediency and necessity of having 'in the English tongue both the New Testament and the Old,' for he 'intended to provide that the Holy Scripture shall be by great, learned and Catholic persons translated into the English tongue.'

Dr. Westcott's statement that "The history of our English Bible begins with the work of Tyndale and not with that of Wycliffe" is not literally true, though it seems to be interpreted that way sometimes. Wycliffe's complete renderings of the Holy Scripture into English were more than a century ahead of Tyndale's. Wyclif got into trouble with ecclesiastical authorities because he introduced his heretical views into his work. St. Thomas More in "English Works, 233, wrote: "The whole Bible was long before his (Wycliff's) day, by virtuous and well-learned men, translated into the English tongue, and by good and godly people and with devotion and soberness, well and reverently read." Regarding the council which censured Wycliff he remarks: "It neither forbiddeth the translations to be read that were already well done of old before Wycliff's day, nor damneth his because it was new, but because it was naught; nor prohibiteth new to be made, but provideth that they shall not be read, if they be made amiss, till they be by good examination amended." This shows proper reverence for Good's word.

The Encyclopedia tells us that there were certainly in England renderings of the Bible during the 12th, 13th and early 14th centuries, but they were all in French; but that before the middle of the 14th century the entire Old Testament and the greater part of the New had been translated into the Anglo-Norman dialect of the period. Going further back we read that about the year 1000 the Gospels were rendered anew for the first time in the south of England, and that not less than seven manuscripts of these West-Saxon Gospels have come down to us. Towards the close of that century the Old Testament found a translator in Aelfric. From the 10th back to the 8th century we discover that various parts of the scriptures were translated. The first prose rendering of any part of the Bible into the vernacular of the time originated in all probability in the 8th century when the Venerable Bede, the eminent scholar and churchman, translated at least part of the Gospel of St. John.

We call attention to these historical facts lest pertinent points about the debt that more modern scholars owe to the patient toilers of the past who had to work under tremendous handicaps be forgotten.

READER.

Nanking, Dec. 17.

Shanghai Slandered

The Tu Quoque

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Evidently, judging by your quotations from the new publication, the author of it is quite a newcomer in our midst; and further, from his first-hand knowledge of the moral sewage of our city, may be of the membership of our modern quasi-moral pests—the "gutter missionary".

Of course, this "Sink of Iniquity", or as she had of late been renamed by a very proper person, "The Whore of Asia", never pretended to be any fit abiding place for saints, particularly from the noble Shinto-land. But, had our righteous critic gone about his job in the right way, and had firstly learned the truths about the moral gutters—shall I say—of Tokyo, he then might have shown, more convincingly, our humble incomparability in that respect.

"He who is without sin among you, let him first cast the stone!"

MORALITY PROPER.

Shanghai, Dec. 20.

A Broken Melody:

Classical Piece Interrupted

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Yesterday evening at 8.45 I was listening to the broadcast from Station X.M.H.A. and I myself and, I believe, most of other listeners were greatly disappointed when this station ceased broadcasting of the "Spanish Caprice," by Rimsky Korsakoff, in the middle of a play and changed it to the light opera's selection.

This "Spanish Caprice" is well known not only to all musicians but to all, more or less, educated people as a great composition of its kind and I was badly surprised at the negligence of the people concerned, who evidently do not wish to bear in mind that unreasonable interruption of classical music might be considered as an absolute ignorance of serious music by the party concerned.

I have decided to request you, Sir, to publish this letter only because this is not the first time that these people permit themselves to do such a thing. Some time ago they have done the same to Borodin's "Polovezky Dance" and I begin to realize now that it is liable to multiply. From my point of view a classical programme should be broadcasted in full or not broadcasted at all.

I hope that this letter will help X.M.H.A. people in future to be more careful when broadcasting the famous compositions.

LISTENER.

Shanghai, Dec. 22.

BY SAPAJOU

Mr. H. N. Kunzru

President of the Servants of India Society, Allahabad.

Street Markets:

French Concession Complaint

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—It will be interesting to see if the French Municipal authorities intend to renew the licences for the vegetable market which has spread the length of Route Magy, from Route Dupleix, right up to Route Maresca. This market in addition to a very large and apparently flourishing timber-yard, right in the middle of Route Maresca, has successfully converted what was a peaceful residential area into a veritable inferno of noise. Jabbering coolies, drawing all kinds of rickety carts, barrows, etc., to market, from daybreak, has made the immediate vicinity of Route Magy unbearable as a residential district.

This Alfred Magy market is pandemonium from daybreak, due to screaming coolies, dropping of barrels and other containers, hammering, and the many other noise which only a Chinese can produce. Throughout the past three months, thousands of tons of garbage have been dumped on low-lying land on Route Maresca. These operations have started at about 4.30 a.m. daily, and the noise has been such that sleep after 4.30 a.m. has been absolutely impossible. The whole thing is an outrage on tenants who are paying high rents in the district. In the same area, the French Police are past masters at arresting Chinese rickshaw coolies, cyclists etc., for what often appear to be frivolous charges, but let them deflect this efficiency to the question which I have raised. This Alfred Magy market now constitutes a scourge to the residents in the surrounding district. The fact that the timber-yard monopolizes the whole of Route Maresca, during the day, can be let pass, as it causes no sleepless nights, but merely makes the road impassable.

FED-UP.

Shanghai, Dec. 22.

Complaint Supported

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—While agreeing with FED-UP that the noise and stench rate-payers have suffered while the low lying sections of Rue Maresca has been filled in has been very trying, I do believe that this work will prove a boon to residents. Some frog croaking, mosquito breeding swamps has certainly been done away with.

Endorsing the other views of FED-UP may I voice a few additions thereto.

The section of Rue Maresca west of Route Magy which was, until most of the empty spaces were taken up by lumber yards about a year ago, a peaceful street with no traffic problems is now at times practically inaccessible on account of the presence of dozens of lumber trucks, hand carts, barrows etc.

Conditions would not be so bad if the full width of the street was utilized, but being one of the streets where only half is asphalted, the other half being left as a badly neglected cinder road, naturally only the asphalted part is used by rickshas, handcarts and pedestrians moving in both directions. The pedestrians have no other place to walk as it is dangerous to move on the side walk owing to Foochow poles being carried across continuously from dawn to late in the afternoon.

The fact that park spaces in front of residences are being monopolized by the lumber transporting vehicles also cause a great deal of inconvenience to the ratepayers.

As the police patrols and mobile units take no notice whatsoever of these conditions I venture to suggest that the members of the French Municipal Highway Department take a ride along Rue Maresca and get acquainted with the prevailing conditions.

If nothing is done in the near future to regulate the traffic, repair the street and check the rapidly expanding Route Magy market I might suggest that the street is re-named and called "Rue Pandemonium."

ALSO FED-UP.

Shanghai, Dec. 23.

The S. N. Railway:

Why Not a Compromise?

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—The serious situation in connection with the railways in China as explained in your leading article of December 22 should be remedied without further delay. Some definite action should be taken and that immediately if the investing public's interests are to be safeguarded. It must be remembered that these railways are virtually the property of the bondholders, and to them the Japanese have no legal right.

Circumstances being as they are, practical suggestions are needed at the present time as to how to deal with the matter. Registering protests is useless.

To my mind the best possible course to follow is to come to some temporary working arrangement with the "Reformed" Government at Nanking concerning the Shanghai-Nanking Railway, such agreement to continue pending the final outcome of the so-called "China Incident."

INVESTOR.

Shanghai, Dec. 23.

Serious Question Involved

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Your recent leader on "The Railway Issue" should show the Japanese authorities that their continued occupation of the Shanghai-Nanking Railway is a serious matter, and that their unreasonable attitude must give rise to extreme dissatisfaction.

The Japanese have repeatedly assured everyone that it is their intention to respect the third party interests. If this is the case, then why do they not invite the representatives of the British interests to inspect the line, and give them free access to it to enable them to report from time to time on the condition of the security of the third party interests?

According to Japanese reports, they are making both military and commercial use of the Shanghai-Nanking Railway. They thus obtain a service from the investments of the third parties, but they have not yet made the least gesture to pay for such services. If they value foreign opinion in any way, and wish us to place any value on their sincerity, then they must come forward with some scheme to recompense the Bondholders and Net Profit Certificate holders for at least the income losses that have been suffered since the line was occupied, and operation restricted to meet only their own requirements.

Investors have no desire to quarrel with anyone. All they want is a return on their money, security for their investment and recognition of their protective rights as specified in the Loan Agreement, and it is imperative that something be done without further delay.

BONDHOLDER.

Shanghai, Dec. 26.

Tree Vendors:

Found Without Licences

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Our Christmas trees were a bit late in coming this year, but come they did—in time—and a cheerful sight to our otherwise drab, and at times, dreary streets. What a cheerful sight it was the kiddies dancing with glee, the smiles of the elders, and even the Chinese gardener caught in that magical spell of Christmas!

Into this happy and pleasing Yuletide scene now comes a strange and un-Christmas-like spectacle. By this, I refer to what occurred on a street named in honour of a brave soldier—Marshall Joffre, and at the intersection of another dedicated to the memory of another soldier, and as brave, but a soldier of God, Cardinal Mercier we know him, of blessed memory: names that will forever live on as symbols of valour and Christian service, Heaven-sent in their nation's hour of need.

It was on these roads, Sir, that the keepers of the Law—I say the Law—seem to have seen fit to maintain its sanctity by razing the trees, piling them in heaps to be cleared by trucks, while the vendors thereof were hurried off to the Station, presumably, in patrol waggons. The reason? It seems a license was lacking—a license to sell a Christmas tree! The vendors—God knows in times like these they needed the money. And so, to these I say it will not be a merry Christmas—though even the blind are remembered and the refugees are feasted by their Mission.

I would not say this is the Christmas spirit of goodwill as interpreted by some administrators—but it does make one think that had a little Christian kindness been shown, perhaps this might have made a democracy seem the brighter for it—and not but another duplicate of that very against which it so vehimently cries.

XTIAN.

Shanghai, Dec. 24.

Jewish Refugees:

Why Do they Come Here?

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Can you or any of your readers explain a question which has given rise to a considerable amount of discussion lately? Without anything much in the way of advance notice Shanghai is apparently to be called upon to accommodate a large number of Jewish refugees from Europe. Just how many will come here and why?

Obviously, since they have been evicted from Germany and Italy they must go somewhere, but surely a better haven of refuge might have been selected?

Shanghai at the present moment is (1) extremely hard-up (2) absolutely lacking in accommodation (3) not over well-supplied with foodstuffs, fuel, etc. (4) faced with a refugee problem of a considerably more deserving nature (viewed locally).

Further, there appears no immediate prospect of an improvement in the existing state of affairs. There is, instead, the likelihood of worse times to come. It is, for example, quite on the cards that when the defeated Japanese troops eventually withdraw from China, Shanghai may have a close-up of some real fighting, and be without any facilities for wholesale evacuation of non-combatants.

One would, therefore, like to know the reason for his sudden influx from Germany and further South. Was it approved in advance by the Municipal Council or at the invitation of the Ta-Tao Government?

PUZZLED.

Shanghai, Dec. 19.

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COMMERCE AND FINANCE

Money and Exchange

Hongkong & Shanghai Bank

SATURDAY, DECEMBER 24, 1938

BANK'S SELLING RATES 10 A.M.

£1 @ 8 13/16 .....$ 23.31
U.S. $100 @ 16 7/16 .....$608.37

BANK'S BUYING RATES 10 A.M.

£1 at @ 8 3/4 .....$27.725
U.S. $100 @ 16 7/8 .....$592.59
London—demand 8 3/4
4 months' sight credits 8 1/4
4 months' sight docts 8 3/4
6 months' sight credits 8 1/2
6 months' sight docts 8 3/4
New York—demand .....U.S. $16 7/8
4 months' sight credits 16 5/8
4 months' sight docts 17
Paris—4 months' sight docts Fcs. nom.

INTERBANK CLOSING SELLING RATES

Sterling .....8 9/16 U.S. $16 21/32
Hongkong/London 1/3

Netherlands Trading Society

Netherlands Guilders .....Buying 31 1/4
Java Guilders ..... " 31 1/8
Netherlands Guilders .....Selling 30 3/8
Java Guilders ..... " 30 1/2

Chartered Bank

Canadian $100 @ 16 1/2 .....$606.06
Hongkong $36 5/8 .....$100.00

American Express Co., Inc.

Buying U.S.$100=$594.795 £1=$27.626
Selling U.S.$100=$606.061 £1=$28.235

Banque Belge Pour L'Etranger

Belgas 0.03=$1 Belgas 27.53=£1

Italian Bank for China

It. Lire 3.65=$1 Swiss Frs 0.73 1/4=$1
Tourist Lire 3.37 .....$1

Other Quotations

Berlin/Hamburg T.T. $100=Rm. 40 3/4
$100=Reg. 74.00
incl. License fee

Local Exchange Report

Messrs. Drakeford, Davis & Wilson

INTERBANK CASH DELIVERY

£	Highest 8 11/16	Lowest 8 17/32
U.S. G.$	16 13/16	16 19/32
Yen	—	—

MERCHANT'S CLOSING RATES

Cash	SELLING		BUYING December
£ T.T.	8 9/16	4 m/s. l.c.	8 7/32
G.$ T.T.	16 5/8	4 m/s. l.c.	16 13/32
Fcs. T.T.	632	4 m/s.	646
Rs. T.T.	47 1/8	7 d/s.	48 1/2

BAR SILVER

		READY	FOR'D
London pence per std. oz.		20 1/4	19 5/8
N.Y. cents per oz. troy		42 3/4	—
Bombay Rs. per 100 tolas		51.02	—
Bombay offtake 25 bars.			

London silver was 3/16 up for ready and 3/16 up forward, being 20 1/4 for ready and 19 5/8 forward. New York was unchanged at 42 3/4 and Bombay was unchanged at 51.02.

It was reported speculators bought. Sellers were reserved. Market steady. After the official fixing the market remained quietly steady.

The local exchange market opened with sellers to merchants at 8 11/32 sterling and 16 9/16 U.S.$.

The Interbank market was very erratic, opening easy with nominal sellers at 8 9/16 sterling and 16 11/16 U.S.$. at which there were eventually good buyers and selling rates declined to 8 1/2 stg. and 16 1/2 U.S.$, with further fluctuations the market recovered to the opening rates but finally closed with best sellers at:—

8 7/16 sterling	16 13/16	U.S.$.	Dec.
8 1/2 "	16 9/16	"	Jan.
8 11/32 "	16 7/16	"	Feb.

London Stocks

Friday's Closing Quotations

	Dec. 22	23
War Loan 3 1/2% (Red.)	£97 7/8	97 11/16
JAPANESE BONDS		
Japan 5% Stg. Loan, 1907	44 1/2	44 1/2
Japan 6% Stg. Loan, 1924	54 1/2	54 1/2
	Osaka, Dec. 24.	
Kogo 5%		Y.103.58
COMMERCIAL AND INDUSTRIAL		
Allied Ironfounders	19/-	19/-
Armstrong Stevens	8/3	8/3
Assoc. & Elec. Indus.	38/6	38/6
Austin Motors, ord.	24/6	24/6
Bristol Aeroplane, ord.	22/4½	22/4½
British American Tob.	93/9	94/4½
Cable & W., new form	34¼	34
Cammell Laird, ord.	7/3	7/3
Courtaulds	28/-	28/3
Distillers	88/9	89/-
Dunlop Rubber	23/-	23/-
General Elec. (Eng.)	76/6	76/6
Guinness (A) Son & Co.	104/-	104/-
Hawker Siddeley Aircraft	24/-	24/-
Imp. Chem. Indus.	30/-	30/1½
Imp. Tobacco	128/9	129/4½
Leyland Motors	90/3	88/1½
Marks & Spencer "A" ord.	55/1½	55/1½
Pressed Steel, com.	14/3	14/4½
Rolls-Royce	109/4½	109/4½
Smethwick Drop Forgings	16/6	16/6
Tate & Lyle	54/4½	54/4½
Turner & Newall	75/1½	75/4½
United Steel	22/6	23/6
Vickers, ord.	21/10½	22/3
Woolworths	57/9	57/9
MISCELLANEOUS		
Anglo Dutch	25/1½	25/1½
Rubber Pltn. Trust.	27/1½	25/1½
MINES		
Burma Corp.	8/6	8/6
Commonwealth Min.	1/6	1/6
Marsman Invests.	15/9	16/-
Randfontein Ests.	39/10	39/10
Sub-Nigel	225/-	225/-
Tanami Gold Min.	6d.	6d.
Western Holdings	12/9	12/9
OILS		
Anglo Iranian	90/-	86/9
Burmah	82/6	83/1½
Mexican Eagle	5/1½	5/3
Shell Trans. & Trad.	80/7½	80/7½
CHINESE EXTERNAL LOANS, ETC.		
4½% Gold Loan, 1898	£77	77
5% Gold Bonds, 1925-47	75	75
4½% Anglo-French Loan	80	80
5% Crisp Loan, 1913	37½	37½
5% Reorg. Loan, 1913	56½	56½

New York Stocks

Saturday's Closing Quotations

	Dec. 23	24
Adams Express	10	10½
Alleghany Ludlum Steel	26	26¼
Allis Chalmers	46⅛	46¾
Amerada Corp.	66¾	66¾
Amer. Can	100	100
Amer. & For Power	2⅞	3
" " $7 pfd.	16¼	17
Amer. Locomotive	28¼	29
Amer. Metal	38½	38
Amer. Radiator	17½	17⅜
Amer. Rolling Mill	20¼	20½
Amer. Smelting	48⅞	49
Amer. Sugar Refining	19¾	19⅝
Amer. Tel. & Tel.	147½	147¼
Amer. Tobacco "B"	87½	87
Anaconda Copper	34⅝	34⅛
Amer. Waterworks	12¾	12⅞
Atchison, T. & S. Fe	39¼	40⅞
Auburn	3½	B 3¼
Baltimore & Ohio	6¾	7¼
Barber Asphalt Corp.	19⅝	19⅝
Barnsdall Oil Co.	18⅛	18⅛
Bethlehem Steel	75⅝	75½
Boeing Airplane Co.	31⅝	31⅝
Borg Warner	30⅜	31
Briggs Mfg. Co.	29⅜	30¼
Bklyn-Manhattan Trans.	11¾	11⅝
" $6 cum. pfd.	40	39
Can. Pacific Rly.	5⅜	5½
Case, J.I.	88¾	B 88¾
Chase Nat. Bank	Unq.	B 29¼
Chesapeake & Ohio	35½	36⅛
Chrysler	82½	82⅞
Columbia Gas & Elec.	6⅛	6¼
" " "A" pfd.	70	B 70
Coml. Credit	56¾	57
Comm. & Southern (ord.)	1⅜	1¼
" " $6 cum. pfd.	46	45
Consolid. Edison	30	30
Consolid. Oil	8⅜	8⅜
Continental Can	40½	40¾
Continental Oil	30⅜	30¾
Corn Products	63	63¾
Curtiss Wright (com.)	6⅜	6½
" " "A"	25⅞	26¼
Distillers Corp. Seagrams	19¼	19⅛
Douglas Aircraft	76⅞	76⅞
Du Pont de Nemours	159	150½
Eagle Picher Lead	12⅞	13
Elec. Bond & Sh.	9⅞	10¼
" " $5 pfd.	57½	B 57
" " $6 pfd.	63½	B 62¼
Elec. Power & Lt.	36	35½
Flintkote	28⅝	28⅝
Gen. Amer. Trans.	57½	57¾
Gen. Elec.	43	42⅝
Gen. Motors	49⅝	50¼
Gen. Rly. Signal	23⅞	24⅜
Clidden Co.	23	23¾
Goodich (B.F.)	23⅞	24
" " $5 pfd.	65½	B 65
Goodyear Tire & Rubber	37	37½
Great Nthrn. Iron Ore	13¼	B 13½
Great Nthrn. Rly.	28½	28⅛
Great Western Sugar	24⅞	25
Greyhound Corp.	21	20⅞
Hecker Products	10⅜	10½
Homestate Min.	63⅛	62½
Int. Nickel	55¼	55
Int. Tel. & Tel.	9⅛	9
Johns Manville	104	103
Kennecott	42⅛	42⅛
Libby-Owens-Ford Glass	53½	53⅛
Lockheed Aircraft	35¾	35⅝
Loew's Inc.	53⅜	53
Manhattan Shirt Co.	12½	12½
Martin, Glenn L. Co.	33½	33¼
McKesson & Rob. $3 pfd.	9/93¾	9/91½
	B/A	B/A
Monsanto Chemical	105¾	105¾
Montgomery Ward	51⅝	52
Nat. City Bank	Unq.	B 22½
Nat. Dairy Products	12½	12¾
Nat. Distillers	27	27
Nat. Gypsum	15	15¼
Nat. Lead	26	26¼
Nat. Power & Lt.	7⅝	7½
Nat. Supply Co.	13¾	13⅞
New York Central	19½	20¼
North Amer. Aviation	17½	17⅝
North Amer.	21⅜	21⅝
Northern Pacific	11⅝	12¾
Pacific Gas & Elec.	28⅝	29
Pacific Lighting	42	42
Packard Motors	4⅞	4⅞
Paramount Pictures	12⅝	12⅞
Pennsylvania R.R.	21¾	22½
Phelps Dodge	41⅞	41⅞
Phillips Petroleum	42	41¾
Public Serv.	30⅜	30⅜
Pure Oil	10¼	10⅛
Radio Corp. of Amer.	7½	7¾
Republic Steel Co.	23⅜	24
Reynolds Tobacco "B"	43⅛	43⅛
Schenley	16	16⅛
" 5½% pfd.	60	Unq.
Sears Roebuck	72½	73⅜
Shell Union Oil	14⅛	Unq.
Socony-Vacuum	12⅞	12⅞
Sthrn. Pacific	19⅜	20¼
Sthrn. Rly. 5% pfd.	31¾	33
Stand. Brands	6⅜	6½
Stand. Gas & Elec.	3¼	3⅛
Stand. Oil of N.J.	51	52
Stone & Webster	16¼	16½
Swift International	27⅜	27½
Technicolor	21¼	Unq.
Texas Corp.	45⅞	46
Texas Gulf Sulphur	31¼	31
Transamerica	6½	6¾
Tw. Century Fox	25⅜	25½
" " pfd.	34	34
Un. Carbide & Carbon	89¼	89
Un. Pacific	90½	91⅜
Un. Aircraft	40⅞	41⅜
Un. Air Lines Trans.	11¾	12¼
Un. Corp.	2	2¾
" $3 pfd.	34¼	34
Un. Gas Corp.	2⅝	2⅝
Un. Gas Improvement	10⅝	10½
U. S. Rubber	51	51½
" 8% pfd.	101¼	102½
U. S. Steel	66¾	67½
Vanadium	27⅜	27⅜
Warner Bros. Picts.	5¾	5⅝
Westinghouse Elec.	117¼	118
Woodward Iron	25½	Unq.
BONDS		
Amer. & For. Power	51	Unq.
Brazil	9⅜	9½
Baltimore & Ohio R.R.	18⅛	18⅜
Cities Serv. Pwr.	73	74¼
Erie R.R.	15	14
Int. Tel & Tel. 4½s	99⅞	Unq.
Int. Tel. & Tel. 5s	69	68⅝
New England Gas & Elec.	53¼	54
Peru	9¼	9
Sthrn. Pacific R.R.	51	52¾
Stand. Gas & Elec.	59	59

A.—Asked. B.—Bid.—Reuter.

8% Stg. Notes, 1925	13½	13½
5% Honan Rly., 1905	26	26
5% Hukuang Rly., 1911	25	25
5% " " (Ger. Is.)	23	23
5% Lung Tsing U. H. Rly.	13¼	13¼
5% Shai-Nanking Rly.	24	24
5% Tsin-Pukow Rly. B.	18½	18½
5% " " G	18	18
5% " " (Supl. Loan) B.	18	18
5% " " (Supl. Loan) G.	18	18
5% Canton-Kowloon Rly.	18	18
Shai Elec. Construction	25/- N	25/- N
Shai Waterworks "A"	19½ N	19½ N
Un. Ins. Soc. of Canton	30½	30½
Chartd. Bank of I. A. & C.	9⅛	9⅛
H. & S. Bank (Ldn. Reg.)	81	81
" " (Col. Reg.)	84	84
Chinese Eng. & Min.	17/6	17/6
Chosen Corp.	7/6	7/6
Prkin Syndicate	2/- N	2/- N
Gula Kelumpong Rubber	21/3	21/3

N—Nominal.

Shanghai Foreign Trade For November

Imports from abroad totalled $32,737,681 and exports $30,092,626 during the month of November according to the monthly return of the Chinese Maritime Customs in regard to Shanghai. For the January-November period, imports reached a total of $234,679,548 and exports $194,395,124. Tabulated details follow:

Net Imports

(Including Bond Withdrawls)

	November 1938 C.S.$	Jan.-Nov. 1938 C.S.$
Cotton P.G. grey	63,946	1,128,921
Piece white or dyed	168,500	1,529,571
Piece printed	532	104,061
Piece miscellaneous	24,457	299,464
Cotton raw, yarn	1,479,260	9,065,486
Cotton manu., sundry	75,268	714,565
Flax, ramie, hemp	672,689	3,405,114
Wool and Manu.,	484,413	8,201,498
Silk	1,024,098	3,915,770
Metal and ores	2,284,266	24,729,051
Machinery and tools	1,618,070	15,228,617
Vehicles and vessels	1,001,343	5,675,694
Metal manu.,	1,032,726	8,948,262
Fishery products	561,699	2,231,295
Canned goods	424,158	3,948,021
Cereals and flour	189,338	10,251,694
Fruits, seeds	339,182	4,136,716
Medicinal goods	212,852	2,007,635
Sugar	1,328,547	6,378,151
Wines, beer	96,912	735,923
Tobacco	1,382,804	15,064,679
Pharmaceuticals	2,341,051	14,185,052
Dyes, varnishes	1,464,017	12,046,993
Candles, resins, etc.,	3,967,450	26,268,581
Books, maps, paper	2,514,536	18,232,311
Hides, leather, etc.,	239,220	1,618,134
Timber	665,169	4,250,933
Bamboo, straw, etc.,	397,125	1,895,11.
Coal, fuel, tar	5,019,410	15,908,22.
Chinaware, etc.,	151,870	1,354,987
Stone, earth	126,158	762,069
Sundry	1,536,633	10,436,434
	32,737,681	234,679,548

Net Exports

Animal products	5,729,637	39,097,672
Hides, leather	182,258	4,026,914
Fish products	36,656	268,017
Beans and peas	436,676	1,157,421
Cereals	543,892	1,482,821
Dyestuffs, vegetables	2,376	118,954
Fruits, preserves	85,956	218,692
Medicinals	186,254	1,098,884
Oils tallow, wax	304,960	6,799,616
Seeds	45,303	587,632
Spirituous beverages	34,634	445,381
Sugar	24	156
Tea	774,191	13,052,297
Tobacco	133,629	3,294,550
Vegetables	67,044	701,398
Vegetable products	608,029	1,781,669
Bamboo	22,063	84,574
Fuel	37,874	177,556
Rattan	208	4,675
Timber	107,280	666,841
Paper	82,924	1,046,729
Textile fibres	8,026,647	30,952,375
Yarn, thread	4,591,537	35,307,719
Piece goods	2,346,685	18,181,862
Other textiles	1,006,505	4,549,723
Ores, metals	796,105	5,876,943
Glass, glassware	165,168	678,860
Stone, earth	193,858	1,036,595
Chemicals	468,017	2,376,848
Printed matter	315,339	2,072,126
Sundry	2,769,897	14,444,636
Grand Total	30,092,626	194,395,124

VALUE OF GOLD AND SILVER IMPORTED FROM AND EXPORTED TO FOREIGN COUNTRIES

	November Gold G.U.	Silver $	Jan.-Nov. Gold G.U.	Silver $
Imported From				
British India		209,357		
Great Britain		281		372
Hongkong		3,377,884		
Total Imports	*	3,587,522		3721
Exported To				
Total Exports	‡			§

*Bank-notes face value Chinese $11,000,000 and Yen 4,350,000 were imported during the month.

Not including nickel and copper subsidiary coins, value $16,108 and bank-notes, face value Chinese $44,999,640, Hongkong $131,000, Yen 14,410,000, Plastics 18,540, £54,204 and U.S.$156,665.

‡Bank-notes, face value Yen 10,000 were exported during the month.

§Nickel and copper subsidiary coins, value $200,000 and bank-notes, face value Chinese $255,000, Hongkong $176,000 and Yen 3,000,000 were exported during the period.

IMPORTS AND EXPORTS TO FOREIGN COUNTRIES VALUE OF MERCHANDISE

	November 1938 G.U.	$
Imports		
Gross Imports	14,132,277	
Less Re-exports Abroad	376,949	
Net Imports	13,755,328	32,737,681
Exports		
Gross Exports		30,220,413
Less Reimports from Abroad		127,787
Net Exports		30,092,626
Total Net Imports and Exports		62,830,307
Excess of Imports		2,645,055

January-November	1937 G.U.	$	1938 G.U.	$
Imp. G.U.				
Gross Imp.	216,154,065		104,378,935	
Less Re-exp. Abroad	644,639		2,295,594	
Net Imp.	217,539,526	495,677,919	102,093,341	234,679,548
Exports				
Gross Exp.	286,009,767			195,039,324
Less Reimp. from Abroad	183,433			694,200
Net Exp.	285,826,334			194,395,124
Total Net Imp. and Exp.	880,004,252			429,074,672
Excess of Imports	109,251,584			40,264,424

Is the Outlook Improving

Removal of War Threat Produced a Revival of Business Confidence; What are Indications?

WHATEVER may be the ultimate political and economic consequences of the Munich Agreement, the *détente* certainly removed the uncertainty which had tended to paralyse domestic and foreign commerce, and led to a quickening in the pulse of business last month, says Walter Hill in the "Financial News." The elimination of the risk of imminent war produced a revival of business confidence, reflected in an increase in the flow of new orders to industry and in a rise in the prices of Stock Exchange securities in this country as well as abroad. This rebound does not in itself necessarily portend a change in the long-term trend of business activity in this country. But the removal of the threat of immediate war might well contribute to a more lasting revival if, in fact, the stage was already set for recovery before the crisis. What does the evidence suggest?

Between September, 1937, and May, 1938, "The Economist" index of business activity, fell as rapidly as it had risen during any eight months of the recovery period. The recession, which brought the index down by almost 10 per cent., was actually more rapid than in 1929-30. But by May the force of the initial downward movement appeared to have spent itself. After a slight rise in June, "The Economist" index fell back in July, but both in August and September it registered a small advance. It is a well-known fact that a period of sustained recovery and advancing prices is always accompanied by an accumulation of stocks of goods. Manufacturers are anxious to increase their stocks of materials—which may be raw materials or semi-finished goods—while merchants tend to lay in heavier supplies of finished goods. Moreover, this re-stocking movement is usually intensified in the last phase of recovery, when industry is nearing a state of full employment. Although the rise and fall of stocks cannot be measured in this country owing to lack of data, there is no doubt that heavy stocks of goods were accumulated in this country last year.

Surplus Stocks Declining

When prices and consumption take a downward turn, all sections of the business world are as anxious to reduce their stocks, before placing new orders, as they were formerly to increase them. This de-stocking movement has been very marked this year, and it has brought the output of certain industries well below the level of current consumption. Once surplus stocks are liquidated, industry responds quickly to an improvement in demand, and the stage is set for recovery—provided other influences are favourable. And, since stocks have, in fact, been appreciably reduced this year, the setting is to that extent favourable.

Although Britain, by reason of her heavy imports, exercises a powerful influence on the trend of world prices, markets are also strongly affected by variations in the imports of other important countries, especially the United States. Indeed, the downward trend in the prices of primary products was arrested at the end of last May, and their upturn in June synchronized—not by coincidence—with the revival of business in the United States. Between May and September this year the Federal Reserve Board's index of industrial production rose by 18½ per cent. Recovery across the Atlantic has been accompanied by a re-stocking movement strong enough to drive up commodity prices without any appreciable increase in the raw material purchases of this country. Thus, Moody's index of the prices of sensitive commodities in the United States (December 31, 1931=100) has risen from 130.3 on June 2 to 144.1 on October 31. Similarly, Reuter's daily price index of sensitive commodities in this country has advanced from affected by any expediting of rearmament and A.R.P., which will involve the construction of additional aerodromes, barracks, factories and, possibly, air raid shelters. The 25.1 per cent. reduction in the value of building plans passed by 144 local authorities between September, 1937, and September, 1938, due to the crisis in that month, is thus not as discouraging as might appear at first sight.

Investment Propects

The shipbuilding industry, on the other hand, is in a less happy position, and the figures of the volume of new mercantile vessels commenced this year show that the industry in this country has had to bear almost the whole burden of the fall in international trade since the summer of last year. A revival of world trade, accompanied by rising freight rates, would undoubtedly bring new orders for merchant tonnage to British shipbuilders, though the latter are unlikely to regain their former share of world orders in present conditions. But the activity of this industry is likely to shrink further before it takes a turn for the better, in spite of the prospective increase in naval work.

For some time the bulk of any increase in new investment will probably be in connection with rearmament. The railways, and the gas and electrical industries, for example, are unlikely to spend much more on re-equipment just yet. But some increase in new investment, coupled with advancing raw material prices, should be sufficient to quicken the pulse of industry. Any increase in the demand for steel will from now on involve an expansion in output, for surplus stocks accumulated last year have been practically worked off. And a reduction in steel prices next year should contribute to the revival of private investment, for example, in ships. The coal industry will benefit; the latest production figures already reflect the improvement, for the disparity between this and last year's output is already much smaller than a month ago. During the week ended October 15 the quantity of coal raised was only 2 per cent. smaller than in the corresponding week last year. Again, the proportion of the capacity of the Welsh tinplate industry in operation has risen above 50 per cent. Activity in the engineering industry is still declining, but when the new armament plans are translated into orders, an improvement should take place.

The majority of consumption goods trades are already benefiting from the increase in the flow of orders to industry. In the cotton trade, the proportion of spinning capacity in operation has risen from 50 to 55 per cent., and the experience of the wool textile trade has been similar. Again, the Association of British Motor Manufacturers stated at the end of the Motor Show that the volume of new orders booked was more satisfactory than a year ago, and will involve an immediate speeding-up of production.

The indications, therefore, point to an immediate improvement in some industries; the expansion may become more general next year, when the prospective increase in capital investment (mainly for rearmament at first) is translated into new orders. Indeed, there are now strong forces at work making for an upturn in the trade cycle.

Japan's Volume of Trade Reduced

Tokyo, Dec. 21.

For the first time in twenty years for a corresponding period Japan's foreign trade showed a favourable balance amounting to Y.50,000,000 up to December 20, according to official figures released by the Finance Ministry yesterday.

Imports totalled Y.2,702,000,000 and exports amounted to Y.2,752,000,000. Compared to the corresponding period of last year imports decreased 29.6 per cent. in the amount of Y.1,133,000,000 and exports dropped 13.8 per cent. to the value of Y.440,000,000. Last year an adverse balance of Y.642,000,000 was recorded.

Figures up to November 30, however, show that Japan's exports to the yen bloc countries increased 46.8 per cent. in the sum of Y.332,000,000, compared to the same period of 1937, while exports to other countries declined 34 per cent. to the value of Y.789,000,000, leaving an unfavourable balance of Y.495,000,000.

In the middle ten days of December a favourable balance of Y.2,979,000 was registered, with exports amounting to Y.84,493,000 and imports valued at Y.81,514,000.—Domei.

Manila Gold Shares

(Bids in Pesos)

Dec. 27	Opening 9.45 a.m.	Prices 2.45 p.m.
Antamok	.53	.51
Balatoc	9.90	10.00
Benguet Consolidated	14.00	14.30
Coco Grove	.51	.51
Consolidated Mines	.003	.003
Demonstration	.28	.28
Masbate	.19	.19
North Camarines	.64	.64
San Mauricio	1.82	1.78
Suritao Consolidated	.41	.40
United Paracale	.63	.63
Atok	.25	.26
Batong Buhay	.023	.023
Ixi	.65	.64
Mine Operations	.15	.15
Suyoc	.19	.20

Turnover: 505,000 Pesos.

Shares Index: (closing prices) 111.33—Reuter.

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Shanghai Stock Exchange Official Weekly Share Report with Closing Quotations, Dec. 23, 1938

REPORT No. 51/1938 for week ending December 23 (Friday), compiled by the Shanghai Stock Exchange

Comparative Opening Cash Prices: This Friday Morning December 23, 1938 — Buyers	Sellers	Last Sales	Nom.	Last Friday Morning December 16, 1938 — Buyers	Sellers	Last Sales	Nom.	Business Recorded During Week Closing To-Day, Friday Morning: Highest — Cash	Dec.	Lowest — Cash	Dec.	STOCK	Authorised Capital (No. of Shares)	Issued Capital (No. of Shares)	Paid up Value (or Face Value)	Fin. Year. ends	Last Dividends, etc.	Paid or due	Business Done Year 1937: Highest	Lowest	Business Done Year 1938: Highest	Lowest	Total No. of Shares Done for: Last Week	This Week	Total Amount of Sales Reported Jan. 1—Dec. 23: 1937	1938
												Banks, Finance Companies														
13.50	....	13	....	13.50	....	13	....	....	....	....	....	Central Properties, Ltd	5,000,000	180,000	$10	Dec.	Div. 10% 1937	7-3-38	15 Feb	14 June	13 Oct	13 Oct	....	....	2,000	1,000
10	....	....	9.25	10	....	....	9.25	....	....	....	....	China Bond & Share Co., Fed. Inc., U.S.A.	200,000	120,000	$10	Dec.	Final Div. 6% (Mkg. 10% 1936) (Nil 1937)	10-3-37	15.50 Apr	15.50 Apr	9 Oct	9 Oct	....	....	1,200	20
0.20	....	....	0.20	0.20	....	....	0.20	....	....	....	....	China Finance Corp. Fed. Inc., U.S.A.	400,000	400,000	T5	Dec.	Spec. Tax Div. Tls. 0.27½ = $0.39, 1931 (Nil 1937)	14-3-32	0.40 Apr	0.40 Feb	0.50 Mar	0.50 Mar	....	....	29,200	1,000
....	....	•1,340	....	....	....	•1,340	....	....	....	....	....	Hongkong & Shanghai Banking Corp.	400,000	160,000	H $125	Dec.	Int. Div. £2-10-0 a/c 1938 (£5½ 1937) Less I/T	8-8-38	1,945 June	1,380 Dec.	1,602½ Mar	1,345 Oct	28	....	243	685
2	2.40	2	....	....	....	2.60	....	2.10	....	2.00	....	Inter. Invest. Trust Co. of China Ltd.	2,000,000	350,000	T10	Mar.	Div. $0.75, 1934 (Nil 1937-38)	4-5-34	4.25 Feb	3 June	2.85 Dec	1 Nov	1,000	5,710	51,700	25,710
5.85	5.95	5.90	....	5.90	....	5.95	....	6.10	....	5.70	....	Shanghai Loan & Investment Co., Ltd.	250,000	250,000	T5	Dec.	Div. $0.25 a/c 1934 (Nil 1937)	25-2-35	5 Feb	2.70 June	6.50 Dec	3.20 June	17,800	18,100	17,186	277,220
....	....	....	18.50	....	....	....	18.50	....	....	....	....	Union Mobiliere	100,000	100,000	$20	Dec.	3% for 1937	3-5-38	20 July	18 Jan	....	....	....	....	1,670	....
....	6.50	6.55	....	6	6.50	6.55	....	6.30	....	6.30	....	Yangtsze Finance Co., Ltd.	2,000,000	517,500	T10	Mar.	Div. $0.20 a/c 1936-37 (Nil 1937-38)	22-7-37	8 Mar	6 July	6.70 Dec	4 Aug	7,300	500	12,300	39,305
												Insurances														
....	3	3	....	3	....	....	2.50	3	....	2.50	....	American-Asiatic Underwriters (ord.)	75,000	75,000	T10	Dec.	Div. $1.40, 1934 (1937 Nil)	15-5-35	....	....	3 Dec	2.50 Dec	....	2,620	....	2,620
....	....	....	0.75	....	....	....	75	....	....	....	....	Asia Life Insurance Co.	100,000	40,000	$5	Dec.	Div. 10% = G. $0.50, 1937	12-5-38	25 Dec	16.50 Apr	....	....	....	....	6,787	....
....	....	....	90	....	....	....	90	....	....	....	....	Assurance Franco-Asiatique	70,000	70,000	F100	Dec.	Div. 5% 1937	4-5-38	....	....	....	....	....	....	....	....
4.05	....	4.05	....	3.80	3.95	3.80	....	4.60	....	3.80	....	International Assurance Co., Ltd.	2,000,000	600,000	T5	Dec.	Div. $0.30, 1933 (Nil 1937)	18-5-34	4.55 Feb	3 Jan	4.05 Aug	2.30 Sept	1,000	51,300	108,245	100,985
....	•485	•475	....	•480	•485	•485	....	4.85	....	4.75	....	Union Insurance Society of Canton Ltd.	200,000	135,000	£6	Dec.	Int. Div. 15/- a/c 1938 (30/-, 1937)	21-10-38	636 Apr	515xd. Oct.	560 Mar	475 Dec	20	40	1,560	1,863
												Lands														
....	....	....	167	....	....	....	167	....	....	....	....	Anglo-French Land Invest. Co., Ltd.	25,000	19,335	T100	Feb.	Int. Div. $2.00 a/c 1938-39 ($4.00 a/c 1937-38)	14-10-38	200 Feb	190 Jan	160 June	160 June	....	....	114	3
....	2.10	2.10	....	2.10	2.25	2.15	....	2.10	....	1.90	....	Cathay Land Co., Ltd.	500,000	480,374	T10	Dec.	Final 2% = $0.28 (Mkg. 6% 1933) (Nil 1937)	5-5-34	3.75 Mar	3 Apr	3 Mar	1.90 Dec	6,500	3,000	17,300	40,000
....	0.95	0.95	....	1	1.15	1.20	....	1.05	....	0.95	....	China Realty Co. Fed. Inc., U.S.A.	800,000	500,000	T10	Dec.	Div. $0.15 a/c 1934	20-2-35	1.45 Mar	0.90 June	1.20 Dec	0.50 Aug	33,300	12,500	90,150	76,100
....	....	....	166	....	....	....	166	....	....	....	....	Fonciere et Immobiliere de Chine	20,000	20,000	T100	Dec.	Int. Div. $5.00 a/c 1938	30-11-38	....	....	....	....	....	....	....	....
4.30	6	4.30	....	4	....	....	6.30	4.30	....	4.30	....	Metropolitan Land Co., Ltd. "A"	500,000	39,800	T10	Sept.	Div. $0.80, 1934 (Nil 1938)	28-11-34	....	....	4.30 Dec	4.30 Dec	....	3,970	....	3,970
4.30	6	4.30	....	4	....	....	6.30	....	....	....	....	do. "B"		155,018	T10	Sept	Div. $0.80, 1934 (Nil 1938)	28-11-34	....	....	....	....	....	....	....	....
....	....	....	9	....	....	....	9	....	....	....	....	San Sing Properties, Ltd.	2,000,000	805,007	T10	Mar.	Div. 2% = $0.28, 1933 (Nil 1938)	16-3-33	....	....	....	....	....	....	....	....
....	9.60	9.20	....	9.40	9.55	9.50	....	9.50	....	9.10	....	Shanghai Land Investment Co., Ltd.	2,386,800	2,386,800	T5	Dec.	Fin. 4% = $0.28 (Mkg. Tls. 0.50 1934) (Nil 1937)	25-4-35	17 Feb	8.70 Aug	9.70 Dec	7.25 Oct	29,150	16,650	72,050	221,610
....	....	99.50	....	....	....	99.50	....	....	....	....	....	Tientsin Land Investment Co., Ltd.	120,000	64,281	$50	Dec.	Final 3% & Bonus 1% (Mkg. 11% 1937)	28-2-38	....	....	....	....	....	....	....	....
												Docks, Wharves and Transport														
....	6.10	6.10	....	5.80	6	5.80	....	6.10	....	5.85	....	New Eng. & Shipbuilding Works, Ltd. (ord.)	500,000	300,000	T5	Dec.	Div. Tls. 0.30 = $0.42, 1932 (Nil 1937)	14-3-33	3.80 Feb	2.25 Jan	5.85 Dec	3.25 Feb	7,500	9,125	20,177	138,252
103	105	105	....	103.50	104.50	104	....	107	....	101	....	Shanghai Dock & Engineering Co., Ltd.	55,700	55,200	T25	Dec.	Div. $3.50 a/c 1937 & Int. Div. $3.50 a/c 1938	15-3-38	108 July	92 Jan	131 Aug	85 Oct	1,253	600	6,409	14,801
....	....	175	....	....	....	175	....	....	....	....	....	Shanghai & Hongkew Wharf Co., Ltd.	80,000	60,000	T100	Dec.	Div. $5 a/c 1937	14-4-32	250 Feb	140 Dec	190 Aug	145 Jan	275	....	2,310	1,950
33.50	34	33.50	....	35	36	34.75	....	34	....	31.75	....	Wheelock & Co., Ltd.	1,000,000	217,602	T10	Mar.	Int. Div. $2.50 a/c 1938-39	Pending	18.60 June	10.10 Feb	35 Dec	14 Mar	19,265	9,800	107,597	168,180
												Utilities														
....	....	24	....	22.75	....	22.50	....	21	....	22	....	China General Omnibus Co., Ltd.	500,000	200,000	T10	Dec.	Div. Tls. 0.40 = $0.56 a/c 1938	10-12-38	13.30 Apr	7.50 Jan	21 Dec	13 Apr	700	837	10,443	11,332
....	....	8.10	....	7.50	8	8.10	....	....	....	....	....	Shanghai Gas Co., Ltd.	700,000	560,000	$10	Dec.	Div. 4% 1936 (Nil 1937)	8-4-37	10.70 Apr	9 Feb	7.80 Nov	7.80 Nov	300	....	8,526	4,673
....	....	69	....	....	....	69	....	69	....	69	....	Shanghai Telephone Company	400,000	115,142	T50	Dec.		....	86 Mar	68 Jan	69 Dec	50 Sept	620	138	3,368	2,334
....	....	37	....	35.50	....	36	....	....	....	....	....	S'hai Electric Construction Co., Ltd. "Reg."	700,000	670,000	£1	Dec.	Final Div. 5% (Mkg. 7%, 1937) Coupon 55	26-4-38	39.50 Apr	36.50 Feb	37 Aug	32 Apr	100	....	3,347	5,408
....	38	37.75	....	....	38.25	38	....	38	....	37.75	....	do. "Bear"						26-4-38	41 Mar	31.50 Dec.	39 June	30 May	7,050	3,560	36,786	73,782
....	622.50	622.50	....	6.20	627.50•	625	....	625	....	620	....	S'hai Waterworks Co., Ltd. "A"	40,236	40,236	£20	Dec.	Int. Div. 8/- a/c 1938 (36/-, 1937) Coupon 49	27-9-38	635 Mar	625 June	650 Aug	510 May	48	70	642	2,366
26.50	....	27	....	26.50	....	27	....	27	....	27	....	do. "B"	359,280	108,505	£1	Dec.	Int. Div. 4.8d a/c 1938 (1/4. 8d, 1937) Coupon 22	27-9-38	25.75 Apr	24.50 Feb	28 Aug	21 Apr	500	50	967	5,493
....	....	27.50	....	....	....	27.50	....	....	....	....	....	do. "C"		250,000	£1	Dec.	Int. Div. 4.8d a/c 1938 (1/7. 2d, 1937) Coupon 18	27-9-38	25.75 July	24.50 Feb	29 Aug	21.25 Apr	100	....	6,957	7,120
												Miscellaneous														
....	....	....	10	....	....	....	11	....	....	....	....	Auto Palace Co., Ltd.	150,000	118,500	$8	Dec.	2nd. Int. Div. $1.00 (Mkg. $2.00 a/c 1938)	19-12-38	6.80 Mar	5 Feb	9 Nov	5 June	....	....	1,935	4,090
....	....	....	11.75	....	....	....	11.75	12.25	....	12.25	....	Bakerite Co., Fed. Inc., U.S.A. "B"	50,000	49,703	$10	Dec.	Div. $0.17 a/c 1937	16-3-38	10.75 July	4.25 Mar	12.25 Dec	10 Nov	....	40	10,612	259
....	....	....	14	....	....	....	14	....	....	....	....	Caldbeck, Macgregor & Co., Ltd. (ord.)	200,000	140,000	T10	Dec.	Div. $0.70 a/c 1937	29-4-38	16.50 Mar	14.25 Jan	....	....	....	....	2,150	....
15	....	14	....	13	....	14	....	....	....	....	....	China Import & Export Lumber Co., Ltd.	500,000	231,803	T10	Feb.	Div. 6% = $0.84 a/c 1937-38	26-5-38	13 Mar	13 Mar	15 Aug	12 June	....	....	325	2,059
....	26.75	26.75	....	27	27.50	26.75	....	26.75	....	26.25	....	Chinese Eng. & Mining Co., Ltd. "Bearer"	2,000,000	1,960,000	£1	June	Div. 5% a/c 1936-37 Free of I/T Coupon 44	18-1-38	20.25 July	13 Jan	27.50 Dec	16 June	3,600	1,930	27,738	102,635
....	....	....	9	....	....	....	9	....	....	....	....	Choson Corporation, Ltd.	750,000	725,000	£1	June	Div. 1/- (Mkg. 1/9d, 1937) Less Tax (Nil 1938)	15-1-38	10.60 Jan	9.40 Jan	....	....	....	....	9,300	....
....	19	19	....	....	19	19	....	....	....	....	....	Culty Dairy Co., Ltd.	40,000	40,000	T10	Dec.	Div. $1, 1934-35 (Nil 1937)	27-11-35	17 May	15 July	20 Aug	19 Oct	....	....	320	980
40	....	37.50	....	40	....	37.50	....	....	....	....	....	Champ Course Francais French	30,000	30,000	$20	Dec.	Div. $4.50 a/c 1934 (Nil 1937)	1-3-35	22 May	22 May	37.50 Sept	37.50 Sept	....	....	10	70
40	....	40	....	40	....	40	....	....	....	....	....	(French Race Course) non-French				Dec.	Div. $1.50 a/c 1934 (Nil 1937)	1-3-35	....	....	40 Nov	32.50 May	....	....	....	1,645
60	....	60	....	60	....	60	....	....	....	....	....	do. Founders		6,490	Free	Dec.	Div. $4.62 a/c 1934 (Nil 1937)	1-3-35	50 July	45 May	60 Dec	55 Apr	....	....	6	606
....	....	8	....	....	....	....	9	8	....	8	....	Hall & Holtz, Ltd.	28,000	26,342	$20	Feb.	Div. 5% = $1, 1934-35 (1937-38 Nil)	30-5-35	10 June	9 Mar	10 Mar	8 Dec	....	1,885	170	1,890
....	....	....	6.80	....	....	....	6.80	....	....	....	....	Hongkong & Shanghai Hotels, Ltd.	1,500,000	1,193,867	H $7.50	Dec.	Div. H. $0.40 a/c 1937	6-4-38	8 Apr	8 Apr	7.25 Sept	6.30 Apr	....	....	500	1,000
....	....	....	15.75	....	....	....	15.75	....	....	....	....	Kelly & Walsh, Ltd.	75,000	45,000	$10	Feb.	Int. Div. $0.50 a/c 1938-39	Pending	....	....	....	....	....	....	....	....
12	....	....	....	12	....	....	....	....	....	....	....	Mark L. Moody, Fed. Inc., U.S.A.	100,000	30,000	T10	Dec.	Div. $1.25 a/c 1937	1-2-38	....	....	....	....	....	....	....	....
6.70	6.90	6.75	....	7.10	7.20	7.25	....	7.10	....	6.70	....	Metal Industries of China, Ltd.	2,000,000	250,000	$5	Dec.		....	10.70 June	5.90 Apr	7.25 Dec	6 Nov	29,200	15,110	119,705	121,730
....	....	....	1.30	....	....	....	1.30	....	....	....	....	Millington, Ltd.	300,000	110,000	$4	Dec.		....	1.50 June	1.25 Jan	....	....	....	....	6,250	....
....	....	3	....	....	....	3	....	....	....	....	....	Office Appliance Co., Ltd.	80,000	60,000	T8.50	Dec.	Div. Tls. 0.40 = $0.56, a/c 1932 (Nil 1937)	21-4-33	....	....	3 May	3 May	....	....	....	750
7.70	7.90	7.75	....	8	8.05	8	....	8.10	....	7.55	....	S'hai Exploration & Development Co., Ltd.	600,000	597,251	T2.50	Dec.	2nd. Int. Div. $0.30 (Mkg. $0.60 a/c 1938)	16-12-38	3 Feb	1.75 June	8.40 Dec	2 June	23,500	12,900	22,245	592,806
....	....	....	6	....	....	....	6	7.50	....	7.50	....	S'hai Vacuum Cleaning & Storage Co., Ltd.	35,000	23,000	T10	Dec.	Int. Div. 5% = $0.70 a/c 1938 (10% a/c 1937)	26-10-38	....	....	7.50 Dec	7.50 Dec	....	425	....	425
1.05	1.20	1	....	....	....	1	....	....	....	....	....	S'hai Waterworks Fittings Co., Ltd.	500,000	301,756	T1	Dec.	Div. 8% (= $0.11) 1935 (Nil 1937)	17-3-36	1.50 Jan	1 Feb	1 Nov	0.60 Oct	....	....	18,193	11,888
3	....	6	....	3	....	6	....	....	....	....	....	Union Brewery, Ltd.	500,000	200,000	T10	Dec.	Div. $1.25, 1933 (Nil 1937)	27-5-34	5.50 May	3 Mar	6 June	6 June	....	....	400	1,000
												Bonds and Preferences														
....	....	....	81	....	....	....	81	....	....	....	....	American-Asiatic Underwriters, Cum. Pref. 8%	5,000	5,000	T100	Dec.	4% = $5.59 for ½ year ended Dec. 31, 1934	31-12-34	....	....	....	....	....	....	....	....
....	....	....	67.50	....	....	....	67.50	....	....	....	....	do. Cum. Pref. 7%	7,500	7,500	T100	Dec.	3½% = $4.89 for ½ year ended 31-3-35	1-4-35	....	....	....	....	....	....	....	....
....	....	13	....	....	....	13	....	....	....	....	....	Caldbeck, Macgregor & Co., Ltd. 8% cum. pref.	100,000	80,000	T10	Dec.	Div. 8% = $1.12 for 1937	29-4-38	17.50 May	15.50 Jan	13 Oct	12 Aug	....	....	2,300	10,800
....	....	....	3.60	....	....	....	3.60	....	....	....	....	Ch. Finance Corp. Fed. Inc., U.S.A. (Pref.) 8%	600,000	205,125	T5	Dec.	Quarterly Div. Tls. 0.10 = $0.14, 1933	30-12-33	....	....	....	....	....	....	....	....
....	....	150	....	....	....	150	....	148	....	148	....	Ewo Cotton Mills, Ltd. 8% cum. pref.	10,000	9,000	T100	Dec.	Div. Tls. 8 = $11.19, 1937	3-5-38	179 July	165 Apr	153 Oct	137 June	20	5	877	826
7.90	8.10	8	....	7.90	8	8	....	8	....	7.75	....	New Eng. & Shipbg Works, Ltd. 8% cum. pref.	500,000	300,000	T5	Dec.	4% (Mkg. 8%) a/c 1934 & 6½ % a/c 1935	14-3-38	7 July	5 Jan	8 Dec	4.75 June	2,500	1,134	42,677	32,098
122.25	122.50	122.25	....	123	....	123	....	122.75	....	122	....	S'hai Power Co. Tls. 6 cum. Pref. stock	230,000	220,000	T100	Dec.	3rd Quarterly Div. Tls. 1.50 = $2.0979, a/c 1938	1-10-38	137.50 Feb	122 Jan	125 Aug	99 Apr	1,085	361	13,361	23,083
62.50	....	62.50	....	62.50	....	62.50	....	....	....	....	....	Shanghai Tug Lighter Co., Ltd. 7% pref.	10,000	10,000	T50	Dec.	Int. Tls. 1.75 = $2.44 a/c 1938	17-11-38	73 Mar	65 May	62½ Nov	50 June	....	....	2,155	1,632
14.25	....	14.25	....	14.25	....	13	....	14.25	....	14.25	....	S'hai Waterworks Co., Ltd. 7% cum. pref.	100,000	100,000	T10	Dec.	3½% = $0.49 for half year ended 30-6-38	27-9-38	17 Mar	16 July	14.25 Dec	13 Oct	....	500	7,295	2,250
13.75	....	13.50	....	13.75	....	13.50	....	....	....	....	....	do. 6¼% cum. pref.	100,000	100,000	T10	Dec.	3¼% = $0.45 for half year ended 30-6-38	27-9-38	16 July	13.75 Dec	13.75 Dec	12.65 May	50	....	5,530	730
												Cottons														
16.90xr	17xr	16.90	....	16.60	16.70	16.60	....	17xr	....	16.50	....	Ewo Cotton Mills, Ltd., Ordinary	2,000,000	1,200,000	T5	Dec.	Int. Div. $0.75 a/c 1938	Pending	18.50 June	12 Dec	20.20 Aug	12 Feb	21,150	11,900	891,587	884,989
....	105	106	....	....	107	106	....	....	....	....	....	Shanghai Cotton Mfg. Co., Ltd.	240,000	240,000	$50	Apr.	Div. $2.50 & Bonus $0.50 for Yr. ended 31/10/38	28-11-38	121.25 Apr	92 Jan	111 Dec	80 July	686	....	3,240	2,696
....	....	29.75	....	....	....	29.75	....	....	....	....	....	Zoong Sing Cotton Mills, Ltd.	200,000	150,000	T10	June	Div. $5 & Bonus $5 a/c 1936-37 (Nil 1937-38)	30-12-37	35 June	29 Mar	29.75 Sept	29.75 Sept	....	....	900	1,000
												Plantations														
....	....	....	18.50	....	....	19	....	....	....	....	....	Alma Estates, Ltd.	70,000	70,000	(Tls. 9) £1	Sept.	Div. $0.50 a/c 1937-38	21-12-38	30 Apr	16xd. Dec	20 Oct	15 Feb	....	....	51,910	2,795
9.30	....	9.50	....	....	9.80	10	....	9.50	....	9.50	....	Anglo-Dutch (Java) Plantations Ltd.	400,000	350,000	10s	Dec.	Final Div. $0.10 (Mkg. $0.70 a/c 1937)	20-5-38	13.75 Apr	7 Dec	10.20 Oct	6.50 Feb	200	500	5,510	12,643
....	15.60	15.80	....	....	15.70	15.80	....	....	....	....	....	Anglo-Java Estates, Ltd.	500,000	496,000	10s	Dec.	Int. Div. $0.25 a/c 1938 ($150, a/c 1937)	14-11-38	19.60 Apr	11 Sept	16.50 Oct	11 Feb	....	....	202,184	43,155
5.50	....	5.55	....	....	5.60	5.55	....	....	....	....	....	Ayer Tawah Rub. Plantation Co., Ltd.	500,000	335,499	T1	Sept.	Fin. Div. $0.15 (Mkg. $0.25, 1937-38)	Pending	7.25 Apr	4 Dec	5.60 Oct	4 May	....	....	51,329	12,362
....	....	1.08	....	....	1.10	1.08	....	....	....	....	....	Batu Anam (Johore) Rub. Ests., Ltd.	960,000	960,000	T0.10	Dec.	Final Div. $0.01 (Mkg. $0.10 a/c 1937)	12-4-38	1.86 Apr	0.85 Dec	1.15 Oct	0.70 Jan	8,160	....	671,910	192,590
....	....	....	3.60	....	....	....	3.60	....	....	....	....	Bute Plantations (1913), Ltd.	500,000	353,698	T1	Dec.	Final Div. $0.15 (Mkg. $0.15, a/c 1937)	11-4-38	6.40 Apr	3.20 Dec	4 Oct	3 June	....	....	262,240	31,250
1.31	1.30	1.15	....	1.30	....	1.15	....	1.35	....	1.35	....	Chomor United Rubber Co., Ltd.	1,200,000	956,747	T0.10	Dec.	Div. $0.15 a/c 1937	21-4-38	2.05 Apr	0.80 Oct	1.50 Oct	0.85 Feb	....	2,000	482,150	210,331
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

												Company					
....	....	2.27½	....	....	2.27½	2.27½	....	....	....	....	....	Java-Cons. Rub. & Coffee Ests. Ltd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
....	....	20	....	....	....	20	....	....	....	....	....	Kapayang Rubber Estates, Co., Ltd.	15,000	14,800	T10	Dec.	Final Div. $0.50 (Mkg. $1.50 a/c 1937)
....	....	2.70	....	....	....	2.70	....	....	....	....	....	Kota Bahroe Rub. Ests. (1921), Ltd.	500,000	461,804	T0.75	June	Final Div. $0.05 (Mkg. $0.10 a/c 1937-38)
....	1.21	1.18	....	1.16	....	1.16	....	1.20	....	1.17	....	Kroewoek Java Plantations Ltd. ..	2,200,000	2,200,000	T0.10	Dec.	Final Div. $0.06 (Mkg. $0.12, a/c 1937)..
....	9.50	9.50	....	9.25	9.50	9.50	....	....	....	....	....	Langkat	250,000	250,000	Gs.10	Oct.	Div. Tls. 0.50 = $0.70, 1928-29 (Nil 1937)
1.05	1.12	1.08	....	....	1.10	1.08	....	1.08	....	1.08	....	Padang Rubber Co., Ltd. ..	500,000	500,000	T1	Apr.	Final Div. $0.05 (Mkg. $0.08 a/c 1937-38)
....	....	0.80	....	....	....	0.80	....	....	....	....	....	Permata Rubber Estate, Ltd.	350,000	317,219	$1	Oct.	Final Div. $0.04 (Mkg. $0.10, a/c 1936-37)
....	....	0.80	....	....	....	0.80	....	....	....	....	....	Repah Rubber & Tapioca Ests. Ltd.	1,350,000	1,350,000	T0.10	Dec.	Final Div. $0.03 (Mkg. $0.09 a/c 1937) ..
....	....	....	3.50	....	....	....	3.50XD	3.55	....	3.30	....	Rubber Trust, Ltd... ..	25,000,000	1,082,000	T1	Sept.	Div. $0.25 a/c 1937-38
....	....	0.80	....	0.80XD	0.90XD	....	0.78	0.80	....	0.80	....	Samagaga Rubber Co., Ltd.	6,000,000	1,011,000	T0.10	Sept.	Div. $0.02 a/c 1937-38
....	....	0.90	....	....	....	0.90	....	....	....	....	....	Semambu Rubber Ests., Ltd.	900,000	900,000	T0.10	Dec.	Final Div. $0.03 (Mkg. $0.09, 1937)
....	....	0.98	....	....	....	1.01	....	0.98	....	0.98	....	Senawang Rub. Ests., Co. (1921), Ltd.	1,140,000	1,140,000	T0.10	Jan.	Final Div. $0.04 (Mkg. $0.08 a/c 1937-38)
....	....	....	5.60	....	....	5.90	....	....	....	....	....	Shanghai Kedah Plantations, Ltd.	400,000	300,000	T1	Sept.	Div. $0.30 a/c 1937-38
0.38	....	0.37	....	0.36	....	0.37	....	....	....	....	....	S'hai Kelantan Rub. Ests. (1925), Ltd.	1,400,000	1,400,000	T0.10	Dec.	Final Div. $0.02 (Mkg. $0.04 a/c 1937) ..
....	....	....	16	....	....	....	16	....	....	....	....	S'hai Malay Rub.) ord. ..	30,000	30,000	T10	Dec.	Div. $0.75 a/c 1937
....	....	....	23	....	....	....	23	....	....	....	....	Ests., Ltd.) 8% cum. part. pref.	30,000	7,380	T10	Dec.	Div. 8% = $1.12 and $0.75 a/c 1937
....	....	....	2.55	....	....	....	2.55	....	....	....	....	S'hai Pahang Rubber Estate, Ltd.	300,000	235,900	T1	June	Div. $0.24, 1936-37 (1937-38 Nil)
....	....	....	1.85	....	1.70	....	1.85	....	....	....	....	S'hai Seremban Rubber Estates, Ltd.	325,000	325,000	T1	Dec.	Final Div. $0.10 (Mkg. $0.20 a/c 1937)
....	....	13.50	....	....	14.50	13.50	....	....	....	....	....	S'hai Sumatra Rubber Ests., Ltd.	120,000	76,956	T5	Oct.	Final Div. $0.80 (Mkg. $1.30 a/c 1936-37)
....	....	1.80	....	....	....	1.80	....	....	....	....	....	Sua Manggis Rubber Co., Ltd. ..	280,000	270,000	T1	Dec.	Final Div. $0.10 (Mkg. $0.20 a/c 1937) ..
....	....	5.50	....	....	....	5.50	....	....	....	....	....	Sungala Rubber Estate, Ltd. ..	180,000	180,000	T1	Mar.	Int. Div. $0.10 a/c 1938-39 ($0.40 a/c 1937-38)
....	32	31.50	....	....	....	32.50	....	31.50	....	31.50	....	Sungei Duri Rubber Estate, Ltd...	40,000	40,000	(TS.50) £1	June	Final Div. $1—(Mkg. $1.50 a/c 1937-38)
1.91	2	1.98	....	....	2	1.92½	....	2	....	1.98	....	Tanah Merah Estates (1916), Ltd.	1,500,000	1,300,000	T1	Mar.	Int. Div. $0.03 a/c 1938-39 ($0.14 a/c 1937-38)
0.85	0.88	0.86	....	0.86	0.88	0.87	....	0.88	....	0.88	....	Tebong Rubber Estate, Ltd. ..	4,000,000	4,000,000	T0.10	Jan.	Final Div. $0.04 (Mkg. $0.08 a/c 1937-38)
....	....	14.50	....	....	....	14.50	....	....	....	....	....	Ziangbo Rubber Co., Ltd. ..	300,000	250,000	10s.	Dec.	Final Div. $0.90 (Mkg. $1.50 a/c 1937)

Company											
Java-Cons. Rub. & Coffee Ests. Ltd.	..	..	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kapayang Rubber Estates, Co., Ltd.	..	..	21-3-38	38 Apr	27 Jan	20 June	29 Apr	....	....	9,225	950
Kota Bahroe Rub. Ests. (1921), Ltd.	..	..	30-9-38	1.85 Apr	2.50 Dec	3 Aug	1.80 Mar	....	....	415,186	56,735
Kroewoek Java Plantations Ltd.	..	..	11-3-38	1.52 Apr	0.70 Oct	1.52 Oct	0.70 Feb	7,000	19,000	1,213,130	682,500
Langkat	..	..	3-3-30	14.56 Mar	7 Jan	11 Aug	1 Apr	....	....	15,052	41,721
Padang Rubber Co., Ltd.	..	..	15-7-38	1.90 Apr	1 Nov	1.37½ June	1 Feb	....	[illegible]	314,600	99,000
Permata Rubber Estate, Ltd.	..	..	9-2-38	1.10 Apr	0.60 Dec	1 Mar	0.60 Jan	....	....	66,580	31,000
Repah Rubber & Tapioca Ests. Ltd.	..	..	20-4-38	1.28 Apr	0.60 Oct	0.93 Oct	0.60 Feb	....	....	646,752	161,900
Rubber Trust, Ltd.	..	..	14-12-38	5.72½ Mar	2.90 Dec	4.02½ Oct	2.50 May	500	1,012	526,438	226,041
Samagaga Rubber Co., Ltd.	..	..	14-12-38	1.10 Apr	0.55 Jan	0.83 Oct	0.60 May	....	2,000	659,555	39,400
Semambu Rubber Ests., Ltd.	..	..	29-3-38	1.35 Apr	0.67 Nov	0.92 Mar	0.63 Feb	....	....	354,180	188,250
Senawang Rub. Ests., Co. (1921), Ltd.	..	..	30-5-38	1.49 Apr	0.80 Dec	1.06 Oct	0.67 Feb	....	3,000	996,525	258,420
Shanghai Kedah Plantations, Ltd.	..	..	21-12-38	8.75 Apr	4.80 Dec	6.70 June	4.80 Feb	....	....	67,195	21,225
S'hai Kelantan Rub. Ests. (1925), Ltd.	..	..	22-4-38	0.65 Apr	0.30 Dec	0.43 Oct	0.25 Jan	1,000	....	2,553,121	584,166
S'hai Malay Rub. ord.	..	..	22-4-38	30 Apr	14 Jan	15 Sept	10 May	....	....	8,165	340
Ests., Ltd. 8% cum. part. pref.	..	..	22-4-38	37.50 Mar	30 Mar	28 June	15 Apr	....	....	1,345	160
S'hai Pahang Rubber Estate, Ltd.	..	..	15-10-37	5.97½ Mar	3.00 Aug	3 June	2.35 Mar	....	....	74,120	14,400
S'hai Seremban Rubber Estates, Ltd.	..	..	14-3-38	2.35 Apr	1.40 July	1.85 June	1 Jan	....	....	203,450	39,250
S'hai Sumatra Rubber Ests., Ltd.	..	..	28-2-38	21 Apr	13.90 June	13.50 Oct	7 Feb	....	....	17,600	9,756
Sua Manggis Rubber Co., Ltd.	..	..	28-2-38	2.41 Apr	1.40 July	1.90 Mar	1.40 Apr	....	....	308,770	42,875
Sungala Rubber Estate, Ltd.	..	..	31-10-38	7.05 Apr	4.50 Nov	5.50 Dec	3.50 Feb	....	....	59,209	8,473
Sungei Duri Rubber Estate, Ltd.	..	..	23-9-38	48 Apr	27 Dec	33 June	22 Apr	....	100	6,575	6,007
Tanah Merah Estates (1916), Ltd.	..	..	25-11-38	3.03 Apr	1.70 Dec	2.17½ Oct	1.45 May	2,000	2,000	1,065,896	144,004
Tebong Rubber Estate, Ltd.	..	..	31-5-38	1.26 Apr	0.68 Dec	0.99 Oct	0.63 Jan	15,000	1,000	2,773,652	629,068
Ziangbo Rubber Co., Ltd.	..	..	1-4-38	18.10 Apr	11.25 Nov	15 Oct	10 May	....	....	51,940	14,098

Quotations in Chinese Dollars unless otherwise stated • Quoted in Hongkong Dollars.

Rubber Output Statistics

Company	Agents	Paid up Capital $	Output last fin. year: Year ended	Output last fin. year: Quantity (lbs.)	Provisional Assessments of Standard Production for 1938	Output for month of Oct. 1938 (lbs.)	Total Output this financial year (including Oct. 1938) (lbs.)
Alma	W	881,119	30-9-38	489,000	669,200	32,000	•32,000 (1)
Anglo-Dutch ..	W	2,202,797	31-12-37	1,375,679	1,779,657	67,020	1,479,107 (10)
Anglo-Java ..	W	2,927,288	31-12-37	3,900,860	3,745,574	292,330	1,915,136 (10)
Ayer Tawah ..	G	469,229	30-9-38	544,000	719,100	39,500	39,500 (1)
Batu Anam ..	W	134,266	31-12-37	475,700	609,913	25,000	315,000 (10)
Bute	B	494,682	31-12-37	640,507	756,000	29,450	366,095 (10)
Chemor United	W	133,811	31-12-37	655,500	740,900	31,000	392,000 (10)
Cheng	W	147,054	30-6-38	319,400	344,300	15,000	57,000 (4)
Consolidated (1914) ..	B	508,570	31-12-37	1,111,800	1,319,500	50,800	704,700 (10)
Dominion ..	B	279,720	31-12-37	681,630	762,200	32,900	418,900 (10)
Gula-Kalumpong	—	£ 665,000	31-12-37	4,050,000	5,279,336		
Java Consolidated	W	909,249	31-12-37	1,043,221	938,520	52,910	547,472 (10)
Kapayang ..	W	206,993	31-12-37	153,500	174,940	8,000	90,000 (10)
Kota Bahroe (1921) ..	B	484,410	30-6-38	630,500	781,275	36,000	141,100 (4)
Kroewock ..	W	307,692	31-12-37	965,853	1,227,557	89,948	675,267 (10)
Langkat ..	M	2,552,448	31-10-37	1,181,000	1,607,775	72,000	947,000 (12)
Padang ..	B	699,301	30-4-38	334,400	381,200	17,100	103,200 (6)
Permata ..	F	317,219	31-10-37	115,137	129,400	7,416	91,177 (12)
Ropah ..	W	188,811	31-12-37	581,700	620,000	25,000	335,000 (10)
Rubber Trust..	W	1,513,287	30-9-38	1,524,197	286,355	117,000	117,000 (1)
Samagaga ..	W	141,399	30-9-38	294,399	471,000	15,000	15,000 (1)
Semambu ..	W	125,875	31-12-37	422,000	503,800	23,000	289,000 (10)
Senawang (1921) {Ord. Pref.	W	206,913	31-1-38	577,100	660,380	20,000	275,000 (9)
Shanghai Kedah	B	419,580	30-9-38	659,300	924,831	44,800	44,800 (1)
S'hai Kelantan (1925)	T	195,804	31-12-37	294,165	343,807	11,950	161,800 (10)
Shanghai Malay {Ord. Pref.	W	802,517	31-12-37	607,080	664,545	25,000	365,000 (10)
Shanghai Pahang ..	B	329,930	30-6-38	458,500	565,600	25,000	114,800 (4)
Shanghai Seremban ..	W	454,545	31-12-37	255,100	309,000	12,000	157,000 (10)
Shanghai Sumatra	M	538,154	31-10-37	700,000	868,436	36,000	509,500 (12)
Sua-Manggis ..	W	377,622	31-12-37	232,100	255,000	10,000	142,000 (10)
Sungala ..	G	252,000	31-3-38	357,250	464,100	24,200	169,360 (7)
Sungei Duri ..	B	475,524	30-6-38	518,500	688,690	31,350	123,180 (4)
Tanah Merah (1910)	B	1,818,182	31-3-38	1,120,300	1,329,343	52,000	423,000 (7)
Tebong ..	W	559,441	31-1-38	1,340,000	1,375,900	60,000	606,000 (9)
Ziangbo ..	W	1,440,619	31-12-37	1,539,729	1,618,624	78,925	843,471 (10)

•Numbers in brackets indicate the number of monthly outputs included in said totals
B—A. R. Burkill & Sons, Ltd., 20 Canton Road
F—Frost. Bland & Co., Ltd., 190 Kiukiang Road
G—Geddes Trading & Dairy Farm Co., Ltd., 61 Yuen Ming Yuen Road
M—George McBain, 1 The Bund
T—Turner, Sturrock & Brown, 9 Av. Edward VII
W—J. A. Wattie & Co., Ltd., 93 Canton Road

Rubber Prices

December	17th	19th	20th	21st	22nd	23rd
London Spot ..	8d	8d	8.1/8d	8.1/16d	8.1/16d	8.1/16d
January ..	8d	8d	8.1/16d	8.1/16d	8.1/16d	8.1/16d
February ..	8.1/16d	8.1/16d	8.1/8d	8.1/8d	8.1/8d	8.1/8d
Apr./June ..	8.1/8d	8.1/8d	8.1/4d	8.3/16d	8.3/16d	8.3/16d
July/Sept ..	8.3/16d	8.3/16d	8.5/16d	8.1/4d	8.1/4d	8.1/4d
Oct./Dec. ..	8.1/4d	8.1/4d	8.3/8d	8.5/16d	8.5/16d	8.5/16d
Market	Very quiet	Idle	Steady	Steady	Steady	Neglected
Singapore Spot ..	27.3/4	28	28.1/8	28.1/4	28.1/8	28.1/8
Jan./Mar. ..	28	28.1/4	28.3/8	28.1/2	28.3/8	28.3/8
Apr./June ..	28.1/4	28.1/2	28.5/8	28.3/4	28.3/4	28.5/8
Market	Quiet steady	Very steady	Quiet steady	Very quiet	Quiet steady	Quiet steady
New York December ..	16.15	16.27	16.42	16.28	16.29	16.32
January ..	16.13	16.23	16.34	16.18	16.22	16.25
March ..	16.11	16.15	16.33	16.18	16.18	16.23
May ..	16.09	16.08	16.30	16.17	16.15	16.20
July ..	16.10	16.10	16.28	16.18	16.15	16.21
September ..	16.08	16.11	16.30	16.17	16.16	16.22
October ..	16.10	16.08	16.30	16.18	16.16	16.22

Debentures

OPENING PRICES Dec. 20th 1938	Buyers	Sellers	Nominal	Last Done: Price	Last Done: Date	Loan amount outstanding	Interest payable at end of	Business Done 1938: High	Business Done 1938: Low	Total amount of sales Jan. 5—Dec. 23 1938
Shanghai Municipal Council 6% 1926 (10/30) Tls.	99	..	..	99	22-12-38	Tls. 4,880,000	June Dec.	99	94½	286,000
" " " 5% 1934 (10/30) $	86	..	..	78	24-10-38	$10,104,700	do.	78	78	31,000
" " " 5½% 1936 (10) "	93	..	..	93	17-12-38	$5,000,000	do.	93	88½	423,400
" " " 5% 1937 (10/30) "	86	..	..	83½	12-12-38	$9,000,000	do.	83½	76½	211,100
French Municipal Council 6% 1911 (10/30) Tls.	96	..	..	90	16-8-38	121,100	May-Nov.	90	90	400
" " 5½% 1914 (") "	92	..	..	97½	12-6-36	271,000	June-Dec.	—	—	—
" " 5½% 1916 (") "	92	..	..	100½	31-4-34	203,700	do.	—	—	—
" " 8% 1921 (") "	100	..	..	100	9-12-38	1,679,300	do.	101	100	27,600
" " 6% 1923 (") "	95	..	..	90	16-8-38	731,000	May-Nov.	90	90	5,300
" " 7% 1924 (") "	98	..	..	95	11-11-38	759,600	Mar.-Sept.	96	96	3,200
" " 6½% 1925 (20/30) "	98	..	..	94	4-11-38	2,000,000	Apr.-Oct.	91	91	2,000
" " 6½% 1926 (") "	98	..	..	102½	21-6-37	1,000,000	Jan.-July	—	—	—
" " 6% 1930 (10/25) "	95	..	..	103	19-7-37	2,000,000	Apr.-Oct.	—	—	—
" " 6% 1931 (") "	95	..	..	93	8-11-38	3,000,000	Feb.-Aug.	93	93	7,000
" " 6% 1933 (10/30) "	94	..	..	100	11-8-37	2,000,000	Mar.-Sept.	—	—	—
" " 5% 1934 (") $	83	..	..	77	15-10-38	$5,000,000	Jan.-July	77	77	12,800
" " 6% 1936 (10/15) "	95	..	..	95	13-12-38	$2,500,000	May-Nov.	95	92	315,000
American Club 7% 1933 (5/20) Tls.	..	..	45	89	20-10-36	750,000	1/4-1/10	—	—	—
Anglo-French Land Invest. Co. 6% 1931 (10/20) "	91	..	..	100	9-6-37	1,000,000	June-Dec.	—	—	—
Asia Realty Co. 6% 1930 (10/30c "	40	..	..	90	7-2-35	1,360,200	1/3-1/9 }	—	—	—
" " 6% 1930 (10/30)r "	40	..	..	90	7-2-35	3,000,000	1/4-1/10			
Cathay Land Co. 6% 1930 (5/20) "	..	50	..	80	10-3-37	3,000,000	June-Dec.	—	—	—
" " 6% 1932 (10/20) "	..	50	..	80	28-6-37	1,000,000	do.	—	—	—
" " 6% 1933 (5/20) $	..	50	..	80	28-6-37	$1,500,000	do.	—	—	—
Central Properties 5½% 1934 (10) "	84	..	..	79	12-10-38	$18,000,000	do.	79	79	150,000
China Realty Co. 8% 1930 (5/10) Tls.	58½	..	..	58	23-12-38	3,000,000	1/4-1/10 }	63	40	615,100
" " 8% 1931 (") "	58½	..	..	58	23-12-38	4,500,000	1/4-1/10			
China Transport 8% 1931 (4/20) "	..	..	70	100	15-5-34	600,000	June-Dec.	—	—	—
City Loan 7% 1932 (20) $	50	58	..	54	15-12-38	$6,000,000	15/6-15/12	54	54	1,000
" " 7% 1934 (12) "	..	..	40	92	16-7-37	$3,500,000	30/6-30/12	—	—	—
Columbia Country Club 7% 1933 (1/12-20) Tls.	80	..	..	93	5-7-37	350,000	June-Dec.	—	—	—
Country Club 6% 1901 (Perpl) "	90	..	..	95	18-2-37	122,100	do.	—	—	—
Fonciere et Immobiliere 6% 1930 (10/15) "	88	..	..	84	6-10-38	1,000,000	do. }	84	84	10,000
" " 6% 1933 (10/15) "	88	..	..	84	6-10-38	1,000,000	do.			
Fonciere et Immobiliere 6% 1931 (") $	88	..	..	84	2-11-38	$1,925,000	do.	84	84	5,000
French Club 7% Tls.	..	..	75	82	5-3-37	500,000	do.	—	—	—
International Investment Trust 6% 1930 (10/25) "	60	..	..	78	15-7-37	1,951,000	1/4-1/10 }	—	—	—
" " 6% 1931 (") "	60	..	..	78	15-7-37	963,000	1/4-1/10			
G. E. Marden & Co. 6% 1930 (10/15) "	82	..	..	97	29-1-37	500,000	June-Dec.	—	—	—
Metropolitan Land Co. 6% 1933 (10/20) $	70	..	..	85	14-7-37	$2,000,000	do.	—	—	—
Race Club 6% 1934 (10/25) "	85	..	..	78	23-9-38	$2,000,000	Feb.-Aug.	78	78	1,800
Realty Investment Co. 6% 1934 (10/30) "	70	..	..	70	8-12-38	$500,000	June-Dec.	70	70	5,000
Shanghai Land Investment Co. 6% 1926 (20/30) Tls.	93	..	..	90	3-12-38	1,000,000	Mar.-Sept.	90	76	20,500
" " " 5% 1930 (15) "	85	..	..	87	3-7-37	5,000,000	31/5-30/11	—	—	—
" " " 6% 1931 (10/20) "	93	..	..	99½	26-7-37	3,000,000	June-Dec.	—	—	—
" " " 6% 1933 (5/20) "	93	..	..	76	8-11-38	1,000,000	do.	76	76	100
" " " 5% 1934 (5/40) $	84	..	..	85	9-12-38	$2,800,000	Apr.-Oct.	85	83½	34,000
Shanghai Power Co. 5½% 1933 (10/40) "	83	..	..	84	23-12-38	$35,000,000	10/2-10/8	84	77	1,910,300
Shanghai Telephone Co. "A" 6% 1932 (10/25)r Tls.	87	..	..	98½	5-8-37	5,000,000	1/2-1/8	—	—	—
" " " "B" 6% 1933 (9/24)c $	87	..	..	86½	13-12-38	$10,000,000	1/2-1/8 }	86½	84	316,000
" " " "B" 6% 1933 (9/21)r "	87	..	..	86½	13-12-38		1/2-1/8			
" " " "C" 6% 1937 (20)r "	87	..	..	99	22-7-37	$1,000,000	1/2-1/8	—	—	—
Tientsin Land Investment Co. 7% 1929 (12/22) Tls.	..	..	93½	103	22-12-33	1,416,600	June-Dec.	—	—	—
Shanghai Waterworks Co. 6% 1932 (10/30) "	99	..	..	96	9-12-38	2,800,000	do.	96½	91	8,800
" " " 5% 1937 (") $	94	..	..	104	28-7-37	$2,000,000	do.	—	—	—
" " " 5% 1937 (") "	87	..	..	100	15-7-37	$725,000	do.	—	—	—
Wing On Co. (S'hai) 7% 1936 (10) "	..	..	75	94½	27-1-37	$5,000,000	1/1-1/10	—	—	—

TO-DAY'S EXCHANGES:
Hongkong & Shanghai Bank's Selling Rates (T/T) Opening Dec. 23rd, 1938 (10 A.M.)
London £1 at Exch. 8d = Sh. $30 New York G. $100 at Exch. 15¼ = Sh. $640 Hongkong $100 @ Exch. 53¼ = Sh. $187.79

Chinese Government External Bonds

		London Nominal Prices Dec. 15th	Dec. 22nd
Chin. Govt. 5 per cent	Reorg. Gold Loan 1913, British Issue ..	£ 54 10 0	£ 56 10 0
" " 4½ "	Gold Loan 1908 (Anglo-French) ..	£ 66 0 0	£ 60 0 0
" " 5 "	Gold Loan 1912 (Crisp Loan) ..	£ 37 10 0	£ 37 10 0
" " 5 "	Gold $ Bonds 1925, stamped (Per G. $500)	£ 73 0 0	£ 75 0 0
" " 5 "	Shanghai-Nanking Railway Bonds ..	£ 24 0 0	£ 24 0 0
" " 5 "	Hukuang Railway Bonds (L.P.N.Y. Issues)	£ 25 0 0	£ 25 0 0
" " 5 "	Tientsin-Pukow Railway Bonds 1908	£ 18 10 0	£ 18 10 0
" " 5 "	" " " 1910	£ 18 0 0	£ 18 0 0
" " 5 "	Honan Railway Bonds 1905 ..	£ 26 0 0	£ 26 0 0
" " 5 "	Lung Tsing U. Hai Railway Bonds ..	£ 13 10 0	£ 13 5 0
" " 8 "	Sterling Treasury Notes (Vickers) ..	£ 13 10 0	£ 13 10 0

Company Notices

The Shanghai Municipal Council—The Debenture Transfer Books will be closed from December 16th to 31st, both days inclusive.

The Ewo Cotton Mills, Ltd.—The General Managers of Ewo Cotton Mills, with the approval of the Consulting Committee have decided to issue 150,000 new shares of a par value of Tls. 5 at an issue price of $14.00 per share. These new shares will be offered to shareholders on the register on December 30, 1938 in the proportion of one new share to eight existing shares. The latest date for acceptance of the new shares by shareholders resident in the Far East will be January 25, 1939 and to enable shareholders resident elsewhere to participate in the issue the date will be extended for their benefit to March 2, 1939. The Transfer Books will be closed from December 22nd to 30th, both days inclusive.

The Ayer Tawah Rubber Plantations Co., Ltd.—The 29th Annual General Meeting of Shareholders will be held at No. 61 Yuen-ming-yuen Road, Shanghai, on Wednesday, December 28th at 11.30 a.m. when a final dividend of $0.15 per share will be recommended to shareholders. The Transfer Books will be closed from December 21st to 28th, both days inclusive.

The Kelly & Walsh, Ltd.—An Interim Dividend of $0.50 per share has been declared for the year ending February 28, 1939 and will be paid to shareholders on December 28, 1938. The Transfer Books will be closed from December 21st to 28th, both days inclusive.

G. E. Marden & Co., Ltd.—The Debenture Transfer Books will be closed from December 22nd to 31st, both days inclusive.

Wheelock & Co., Ltd.—An Interim Dividend has been declared in respect of the year ending March 31st, 1939, of $2.50 per share payable to shareholders on January 16th, 1939. The Transfer Books will be closed from January 9th to 16th, both days inclusive.

The Ewo Cotton Mills, Ltd.—An Interim Dividend has been declared for the year ending December 31, 1938 of $0.75 per share, payable to shareholders on December 30, 1938. The Transfer Books will be closed from December 22nd to 30th, both days inclusive.

Shanghai Power Co.—The regular quarterly dividend of Tls. 1.50 per share on the Tls. 6 Silver Preferred Stock has been declared for payment January 5, 1939, to stockholders of record December 15, 1938.

The Metropolitan Land Co., Ltd.—The Debenture Transfer Books will be closed from December 21st to 31st, both days inclusive.

The Anglo-French Land Investment Co., Ltd.—The Debenture Transfer Books will be closed from December 23rd to 31st, both days inclusive.

Columbia Country Club—The Debenture Transfer Books will be closed from December 24th to 31st, both days inclusive.

The Cathay Land Co., Ltd.—The Debenture Transfer Books will be closed from December 17th to 31st, both days inclusive.

The Shanghai Land Investment Co., Ltd.—
31st Issue—1931 .. .. 6% 32nd Issue—1933 .. .. 6%
The Debenture Transfer Books will be closed from December 17th to 31st, both days inclusive.

The Central Properties, Ltd.—The Debenture Transfer Register will be closed from December 17th to 31st, both days inclusive.

Share Report

Share Market Report: (Up to Friday noon): This week's market has been a quiet one all round, with little change and a smaller turnover, most of the "general" stocks having been done at slightly lower rates, the only notable exception being:—

Intascos which opened at the beginning of the week under review with business at $3.80 and, at prices up to $4.60 some 51,000 shares were transacted. This stock closed with buyers at $4 and sellers at $4.07½.

Loans accounted for 18,000 shares done at rates from $6.10 down to $5.70 closing with buyers at $5.85 and selles at $5.95.

Explorations. 12,900 shares were done at $8.10 down to $7.55 closing with buyers at $7.90 and sellers at $7.95.

Wheelocks. In the transaction of approximately 10,000 shares with a range in price of $2½, this stock closed firm with buyers at $33 and sellers at $33½.

Omnibus. These shares showed greater activity and registered a new high level of $21.00, the market closing firm with buyers at that rate.

Trams "Bearer" were very steady, registering 3,560 shares at $37.75 and $38.00.

Shanghai Lands accounted for nearly 17,000 shares at from $9.10 to $9.50 closing with buyers at $9.20 and sellers at $9.40.

Ewos (Ord) were quietly steady, recording 11,900 shares as against 24,150 in the preceding week. Done at rates between $16.50 and $17.00, this market closed with sellers at the latter rate ex. rights and ex. dividend.

Metals. Slightly easier, this stock recorded 15,140 shares at $7.10 down to $6.70 at which latter rate there were buyers at the close and sellers at five cents higher.

Debentures: This market registered a slight improvement, with just over a lakh in Power 5½% at $2¼ to $4 and the equivalent of $73,000 in China Realty 8% at from 56 to 59. S.M.C. 5½% 1936 accounted for $35,000 at 93.

Rubber Reviews, Chinese Government Bonds, etc.

Rubber Review: Lack of any active interest in local rubber shares is still evident, the only possible exception being Kroewocks in which 19,000 shares were transacted at rates from $1.17 to $1.20.

In the raw rubber market London recorded a rise of 1/16d and New York 11 points.

The following information has been courteously supplied by Reuters:—London and Liverpool Stocks of Rubber on December 17th totalled 88,079 tons showing a decrease of 7 tons during the week. Deliveries during the week totalled 1,560 tons compared with 2,236 tons for the previous week.

The following are the usual comparative weekly prices:—

	London Spot	London Feb.	Singapore Spot	Singapore Jan./Mar.	New York Dec.	New York Jan.	New York Mar.
December 16th	8d.	8.1/16d.	27¾	28¼	16.21	16.09	16.07
December 23rd	8.1/16d.	8.1/8d.	28⅛	28¾	16.32	16.25	16.23
Market	Neglected		Quiet steady				

Volume of Trade:—

Week ending	*9th Dec.*	*16th Dec.*	*23rd Dec.*
General	3,776,700	2,911,400	2,119,700
Rubber	77,800	55,500	52,700
Debentures	319,800	219,200	247,000
Total	$4,174,300	$3,219,100	$2,419,400

Chinese Government External Bonds and Railway Loans: There is no special feature to report, the market remaining dull with very little enquiry.

The Information above given, though not guaranteed, has been obtained from sources believed to be reliable.

Agents and Secretaries of Companies are requested kindly to notify The Secretary of the Shanghai Stock Exchange, 16 Central Road, of any errors or omissions.

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COMMERCE AND FINANCE (continued)

China's Nov. Foreign Trade

Net Imports Amount to $74,399,688 Total For The Year of $814,121,693

ACCORDING to the monthly returns issued by the Chinese Maritime Customs covering foreign trade of this country, net imports during November 1938 totalled $74,399,688; net exports $67,010,926. January—November figures were $814,121,693 and $703,020,251 respectively, as compared with the corresponding figures last year of $900,776,786 and $783,026,661.

Net Imports
(Including Bond Withdrawals)

	November 1938 C.S. $	January-November 1937 C.S. $	January-November 1938 C.S. $
Cotton P. G. grey	492,748	7,158,565	10,772,716
Piece white or dyed	240,658	5,757,908	8,898,652
Piece printed	26,541	520,241	1,193,742
Piece miscellaneous	35,091	1,033,300	517,835
Cotton raw, yarn	1,591,067	20,227,356	13,711,38[illegible]
Cotton Manu., sundry	202,628	2,171,223	2,702,446
Flax, ramie, hemp	1,210,054	19,577,171	13,340,737
Wool and manu.,	2,032,491	33,955,431	17,612,352
Silk	2,745,414	13,519,417	14,769,182
Metals and ores	4,276,909	127,554,982	60,920,534
Machinery and tools	8,062,233	62,382,978	49,719,913
Vehicles and vessels	2,592,291	40,211,317	31,436,785
Metal manu.,	2,673,394	39,334,848	27,046,573
Fishery products	1,413,569	12,688,894	8,531,001
Canned goods	1,117,290	7,663,135	8,956,675
Cereals and flour	6,648,425	52,257,073	126,293,[illegible]
Fruits, seeds	1,132,476	5,412,588	11,626,484
Medicinal goods	635,033	6,701,563	6,186,381
Sugar	2,300,338	21,593,752	18,047,719
Wines, beer	405,189	1,164,323	2,514,961
Tobacco	1,783,044	19,522,427	19,129,869
Pharmaceuticals	3,701,912	58,119,529	54,021,148
Dyes, varnishes	2,576,943	36,327,685	28,716,341
Candles, resins, etc.,	7,839,790	108,012,615	82,936,569
Books, maps, paper	4,843,035	62,900,523	40,783,807
Hides, leather, etc.,	366,381	4,259,631	4,051,287
Timber	2,626,031	22,728,030	19,754,199
Bamboo, straw, etc.,	689,801	6,706,130	5,827,347
Coal, fuel, tar	5,160,651	5,590,832	18,007,720
Chinaware, etc.,	435,494	5,355,661	3,330,763
Stone, earth	522,276	3,266,475	3,448,578
Sundry	3,709,281	85,966,483	99,233,281
Grand Total	74,399,688	900,776,786	814,121,693

Net Exports

	November 1938 C.S. $	January-November 1937 C.S. $	January-November 1938 C.S. $
Animal products	11,214,100	114,546,932	106,363,863
Hides, leather	673,861	52,773,852	18,352,961
Fish products	371,460	2,541,626	2,502,257
Beans and peas	592,653	6,293,725	2,312,857
Cereals	785,404	15,037,340	3,108,830
Dyestuffs, vegetables	22,181	1,638,514	938,11[illegible]
Fruits, preserves	1,260,782	10,406,689	8,881,055
Medicinals	721,235	10,967,251	10,693,684
Oils, tallow, wax	2,628,596	121,331,532	50,686,190
Seeds	871,129	34,700,893	17,593,072
Spirituous beverages	78,699	1,370,402	1,115,828
Sugar	15,940	683	87,025
Tea	4,216,343	28,253,213	30,354,276
Tobacco	1,304,408	8,580,036	8,341,149
Vegetables	626,878	10,364,530	9,496,550
Vegetable products	944,291	7,961,605	5,487,817
Bamboo	81,899	2,744,660	1,849,161
Fuel	1,829,209	14,258,996	14,954,526
Rattan	1,249	150,847	103,054
Timber	166,790	3,276,573	2,789,717
Paper	638,065	6,497,244	7,198,139
Textile fibres	14,009,895	122,169,216	154,056,534
Yarn, thread	7,320,270	43,666,943	57,437,652
Piece goods	2,583,270	21,244,667	22,308,830
Other textiles	1,919,508	11,972,821	13,444,050
Ores, metals	5,403,580	91,396,456	102,747,947
Stone, earth, etc.,	562,806	4,351,542	5,198,378
Glass, glassware	175,089	388,602	683,678
Chemicals	1,031,946	7,172,519	7,088,286
Printed matter	452,673	2,219,976	3,017,859
Sundry	4,310,697	24,657,152	33,727,919
Grand Total	67,010,926	783,026,661	703,020,251

IMPORTS FROM AND EXPORTS TO FOREIGN COUNTRIES. VALUE OF GOLD AND SILVER BY COUNTRIES

	Gold November 1938 G.U.	Gold January-November 1937 G.U.	Gold January-November 1937 G.U.	Silver November 1938 $	Silver January-November 1937 $	Silver January-November 1938 $
Imported From						
British India			231,103			
Great Britain		292	281			372
Hongkong		262,952	6,561,636		502,000	
Japan					92,880	
Total Imports		253,244	6,793,027	•	594,880	372†
Exported To						
Great Britain			24,555,334			6,771,153
Japan					607	
Hongkong		2,822,277	615,725	79,530	334,743,412	72,162,663
Other Countries				36,335		1,330,168
Total Exports		27,377,661	615,725	115,865‡	334,744,019	89,253,9[illegible]
Hongkong		252,952	6,561,638		92,880	

*Bank-notes, face value Chinese $18,530,000, and Yen 4,350,000 were imported during the month.

†Not including nickel and copper subsidiary coins, value $2,367,151 and Bank-notes, face value Chinese $602,020,264, Hongkong $131,000, Yen 14,431,400, Piastres 18,540, English £54,204 and U.S. $156,665.

‡Not including bank-notes, face value Chinese $201,877, Hongkong $186,000 and Yen 10,000.

§Not including nickel and copper subsidiary coins, value $140,000 and bank-notes, face value Chinese $146,848,687 Pistres 194,536, Singapore $36,138, Guilders 35,393, Hongkong $7,585,974, Yen 3,080,000, Philippine Pesos 8,545, English £[illegible] Canadian $4,767, Indian Rupees 31,159, U.S.$34,804, French francs 123,766, Siamese Bahts 1,029, Australian £5,473 South African £608, Macao Patacas 403 and Belgian Francs 1,050.

IMPORTS FROM AND EXPORTS TO FOREIGN COUNTRIES: VALUE OF MERCHANDISE

	November 1938 G.U.	November 1938 $	January-November 1937 G.U.	January-November 1937 $	January-November 1938 G.U.	January-November 1938 $
Imports						
Gross Imports	31,680,751		396,974,788		358,474,966	
Less Re-exports Abroad	420,378		942,191		2,921,191	
Net Imports	31,260,373	74,399,663	396,032,597	900,776,786	355,553,775	814,121,69[illegible]
Exports						
Gross Exports		67,163,238		783,441,180		703,942,734
Less Reimports from Abroad		152,312		414,519		922,483
Net Exports		67,010,926		783,026,661		703,020,251
Total Net Imports and Exports		141,410,614		1,683,803,447		1,517,141,944
Excess of Imports		7,388,762		117,750,1[illegible]		111,101,442

IMPORTS FROM AND EXPORTS TO FOREIGN COUNTRIES, VALUE OF GOLD AND SILVER

	November 1938 G.U.	November 1938 $	January-November 1937 G.U.	January-November 1937 $	January-November 1938 G.U.	January-November 1938 $
Imports						
Gold Coins			113,799		1,451,526	
Gold Bullion			139,445		5,341,501	
Silver Coins				594,880		372
Total Imports		•	253,244	594,880	6,793,027	372*
Exports						
Gold Coins						
Gold Bullion			27,377,611		615,725	
Silver Coins		115,565		300,793,667		78,140,120
Silver Bullion		300		33,950,352		2,123,869
Total Exports		115,865*	27,377,611	334,744,019	615,725	80,263,969*
Total Imports and Exports		115,865	27,630,855	335,338,899	7,408,752	80,264,361
Excess of Imports					6,177,302	
Excess of Exports		115,865	27,124,367	334,149,139		80,263,617

*Not including nickel and copper subsidiary coins, and bank-notes.

COMPANY MEETINGS

Shanghai Kedah Plantations

Shanghai, Dec. 22.

The annual general meeting of Shanghai Kedah Plantations Ltd. was held at the offices of the secretaries, Messrs. A. R. Burkill & Sons, Ltd., 20 Canton Road, yesterday. Mr. W. Miller presided, supported by Messrs. E. E. Parsons and J. H. Riddell (directors) and J. K. Brown (representing the secretaries). Total shares represented at the meeting were 69,911.

In his speech the Chairman said:—Before proceeding with the business of the meeting, I must refer, with the deepest regret, to the loss the company has sustained in the death in April of Mr. W. B. O. Middleton, our Chairman.

The total area of the two estates, Paya Kamunting and Riverside, remains unchanged from last year—2,236½ acres, of which 193 acres comes under the heading of non-producing area, 124 acres being on Paya Kamunting, 69 on Riverside. Of the 124 acres on Paya Kamunting, 89 acres were replanted in 1937 with budded stumps and 35 acres is an experimental area planted in similar manner. There is an additional experimental area of 25 acres still to be planted up as you will see in the directors' report. The Riverside 69 acres represent the area which has been replanted during the course of the year, budded stumps also being used.

New Planting Programme

In the report you will also see particulars of work already in hand in connection with next year's new planting programme. Under the International Rubber Regulation Committee's new planting scheme for 1939, our estate is entitled to plant up an additional 5 per cent. of its planted area and received planting certificates covering 93.05 acres for this purpose. The directors decided to take advantage of this opportunity to extend and at the same time to plant up all the available reserve area, amounting to 195¾ acres, which will necessitate the purchase of additional planting certificates to cover an area of approximately 102¾ acres.

In view of the present price of rubber and the new planting programme I have just referred to, the directors consider it inadvisable to proceed, during 1939, with any further replanting and have decided to postpone until 1940 the replanting of the 142 acres, which it had been their intention to undertake during the coming financial year. In any case, the work at present in hand is as much as our staff can undertake, and, even to accomplish this, it will be necessary to engage an European assistant for Paya Kamunting where most of the work is being done.

For the first six months of our financial year there was a steady decline in the price of the raw material, and, though it has recovered somewhat from the low levels reached during April and May, economy throughout the year has been essential. Expenditure generally has been kept within the estimates, and economies, to meet the reduced price of the commodity and the further restricted quotas, have been made wherever possible, but not to the detriment of the well-being of the estate.

Satisfactory Condition

I think, under the circumstances, the cost of production of 14.84 cents, or 4.15d. per lb., which includes all charges, and expenditure on replanting, can be considered very satisfactory and is slightly lower than the cost of the previous financial year. The condition of the estate generally is very satisfactory. The budded stumps in the 1937 replanted area, already referred to, are making good progress. The appearance of the trees in the mature areas seems satisfactory and bark conditions are responding to the present conservative tapping, enforced by the curtailment of exportable quotas, and good bark reserves in practically all fields are being built up.

The directors wish to express their appreciation of the excellent work done by Mr. McAuley and the estate staff, and to thank Mr. Montigny, who managed the estate in a very efficient manner during Mr. McAuley's absence on leave. They also wish to record their thanks to Mr. Pinching for his advice, and for his interesting and instructive reports, and to Messrs. Kennedy, Burkill & Co., Ltd., the Straits Agents, for their co-operation and help.

Turning to the accounts, you will see that the profit for the year amounted to $117,573.61, which, added to the amount brought forward from last year of $19,149.97, makes a total of $136,723.58 for appropriation. Your directors recommend the payment of a dividend of 30 cents per share, absorbing $90,000, to write off development account the amount expended during the financial year on experimental and new planting of $21,723.91, to write off plant and machinery $2,093.20 and to make a donation of $500 to the British Forces Recreation Centres Fund, leaving a balance of $22,406.47 to be carried forward.

Resolutions

The resolutions were as follows:—That the Report and Accounts for the year ended September 30, 1938, as presented be accepted. Proposed by Mr. W Miller, and seconded by Mr. E. E. Parsons.

That the following recommendation as to the appropriation of the balance at credit of Profit and Loss Account as presented be accepted:—

To Pay a Dividend of 30 Cents Local Currency per share	$90,000.00
Write off Development Account	21,723.91
Write off Plant and Machinery	2,093.20
Donate to British Forces Recreation Centres Fund	500.00
Carry forward	22,406.47
	$136,723.58

That Mr. E. E. Parsons be re-elected a director of the company. Proposed by Mr. J. H. Riddell and seconded by Mr. J. K. Brand.

That Messrs. Lowe, Bingham & Matthews be re-elected Auditors to the Company for the ensuing year in Penang at an annual remuneration of Str. $240.00 and in Shanghai at an annual remuneration of $270.00, also that an additional sum of $115.56, representing an increase of approximately 20 per cent. of their annual fee, be paid for the financial year ending September 30, 1938. Proposed by Mr. Kay Chun, and seconded by Mr. Chun Kee Ho.

Alma Estates Ltd.

Shanghai, Dec. 22.

A satisfactory state of affairs was reported at the annual meeting of Alma Estates Ltd., which was held at the offices of the secretaries and general managers, Messrs. J. A. Wattie & Co., Ltd., yesterday. Mr. A. J. Welch presided and he was supported by Mr. L. E. Canning (director) and Mr. W. A. Welch (representing the secretaries and general managers). Total shares represented at the meeting were 14,800.

Giving his annual report the Chairman said:—The accounts now before you disclose the satisfactory profit of Ch. $102,467.61 as compared with a profit last year of Ch. $188,961.07. This profit, whilst eminently satisfactory, is smaller than that earned last year for the reason that the average net price realized for our product was 3.36 pence per pound lower and the output was 55,500 lbs. less.

The estate expenditure per pound on revenue account was practically the same in both years. As regards the individual headings in the working account practically every item of expenditure shows a decrease. General expenses show a decrease of St. $846.71 mainly due to less money having been spent on upkeep of buildings.

Hospital and medical is lower by St. $254.24 due to the fact that this year only 11 patients were admitted to hospital as against 40 patients last year and also to a decrease in wages paid to the two line Sweepers. The cost of upkeeping the gardens was less by St. $3,202.9 caused by decreased wages and rather less intensive field work being necessary. The decreases under the other headings are negligible. The Shanghai expenses were almost identical with those incurred in the previous year.

Planting

Turning to the balance sheet the expenditure on replanting amounted to S'hai $55,775.17 for which sum the 193 acres replanted in 1936/1937 were upkept and a further 107 acres were prepared for replanting this season. This expenditure it is proposed to write off out of profits.

If you pass the recommendations now made by your directors the company will start the new year with a surplus of liquid assets amounting to S'hai $54,971.63. As regards planting matters these 193 acres replanted in 1936 and 1937 are reported to be making excellent progress and to be at least the equal of any other replantings to be found in the Straits. This is attributable to the great care that was taken at the time of planting and to the generous application of fertilizer.

A further area of 107 acres was cleared for replanting during the year under review and similar methods are being employed as regards fertilizers and it is hoped that the result will be equally satisfactory. It is not proposed to replant any further area during the coming year.

The standard of tapping has been maintained at its usual high standard and the yield per acre per annum for the 1388 acres that were in tapping during the year was 528 lbs. The supply of labour was plentiful throughout the year and the rate of wages averaged 43.46 cents per day as against 43.59 cents per day last year. The general health of the labour force was excellent.

Satisfactory

Weeding cost 7 cents per acre per month this year as compared with 19 cents last year. The reason for the decrease being that the heavy work of digging out bracken and other undesirable growths was completed last year. Apart from the usual amount of root disease neither pests nor diseases gave any trouble. The machinery was overhauled at regular intervals and gave satisfactory service throughout the year. All buildings were kept in a serviceable state.

In conclusion, gentlemen, I would like to express our very best thanks to the Manager, Mr. Sparke, to the visiting agent and to the agents in Penang for the excellent manner in which they have administered the affairs of the estate during the year under review.

Resolutions

The resolutions were:—That the directors' report and statements of accounts for the year ended September 30, 1938, as presented, be adopted and passed. Proposed by Mr. A J. Welch, and seconded by Mr. L. E. Canning.

That a dividend of fifty Shanghai dollar cents per share be paid. Proposed by Mr. A. J. Welch, and seconded by Mr. L. E. Canning.

That Mr. H. Kadoorie be re-elected a director of the company. Proposed by Mr. Yang Chia-shan and seconded by Mr. Quin Cey-wu.

That Messrs. Thomson & Company be re-elected auditoirs to the company for the ensuing year. Proposed by Mr. Wong Sing-Lan, and seconded by Mr. M. K. Dong.

November Rubber Output

	lb.
Permata Rubber Estate Ltd.	7,079

THE Agricultural Bureau of the Kiangsi Provincial Government, says a report to the "Shun Pao," is shortly establishing a Cotton and Wheat Factory at Ki-an, Kiangsi. Planting in Kiangsi will be undertaken along improved methods, the report adds, while experts and their assistants will be sent out to the various districts to educate the farmers on improved methods of planting.

Hongkong & Shanghai Banking Corporation

(Incorporated in the Colony of Hongkong. The liability of Members is limited to the extent and in manner prescribed by Ordinance No. 6 of 1929 of the Colony.)

CAPITAL:
Authorized $50,000,000
Issued and fully paid up 20,000,000
Hongkong Currency Reserve Fund 10,000,000
RESERVE FUNDS:
Sterling £6,500,000
RESERVE LIABILITY OF PROPRIETORS $20,000,000

Head Office: HONGKONG
London Branch: 9 GRACECHURCH STREET, E.C. 3
Shanghai Branch: 12 THE BUND
New York Agency: 72 WALL STREET

INTEREST allowed on Current Accounts and on Fixed Deposits according to arrangement.

LOCAL BILLS discounted.

CREDITS granted on approved securities and every description of Banking and Exchange business transacted.

DRAFTS granted on London and the chief commercial places in America, Australia, China, Europe, India and Japan.

SAFE DEPOSIT BOXES to rent.

SAVINGS BANK OFFICE Accounts kept in Dollars Local Currency, Sterling and U.S. Dollars.

Full particulars on application

A. S. HENCHMAN, *Manager.*

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SPORTS AND PASTIMES

Shanghai Rugby

Club Crushes British Army

Shanghai, Dec. 25.

Playing most attractive football throughout the game, the Club first fifteen easily took the measure of a British Army side at the Race Course yesterday afternoon, winning without being pressed by twenty-one points (three placed goals, one penalty goal and one try) to nil. The entire team played well together, smooth handling, good passing, excellent work among the forwards and fine kicking featuring a game that was thoroughly enjoyed by a large crowd of spectators. The outsides for the civilians went through the Army's defence time after time and only sterling work by the Services' backs kept the score own, for at one period of the match it seemed that the Club was about to record a huge score.

CLUB 1ST XV:—W. H. B. Rigg; I. M. Hutchison, A. P. D. Kennedy, R. H. Roe, P. J. A. Innes; G. M. Mills, T. R. Bassett; W. D. Pearson, J. F. Burford, F. W. Dunhill, G. G. Brown, A. M. Kennedy, P. B. Tay, R. U. Reynolds and W. J. Richmond.

BRITISH ARMY XV:—Capt. Barclay; Pte. Carruthers, Driver Woods, Lieut. Poyntz, Lieut. Hill; Pte. Hardiment, Pte. Walmesley; Pte. Crew; Lieut. I. A. MacLaglen, Pte. Peck, Pte. Marshall, Pte. Searles, Sgnlman. Hall, Lieut. Wallis and Sgnlman Evans.

Referee: Mr. E. McLaren.

Seaforths Held to Scoreless Draw

Shanghai, Dec. 25.

In a very closely contested game at the Race Course yesterday afternoon, the Club 3rd XV and a Seaforth Highlanders' side, went hammer and tongs at each other for an hour's most interesting rugby, neither team being able to open its account and the final result read: no score. The forwards of both teams had a field day, the ball being kept between them for the greater part of the match, the outsides naturally, seeing but little of it. When they did, though, excellent efforts were made at opening out the game, but the packs quickly descended upon the scene and more or less claimed the ball as their own.

CLUB THIRD XV:—A. G. White; E. S. Blackwood, R. N. Bryant, S. J. Ward, B. H. McMichael; L. R. St. Louis, L. R. Hocking; T. D. Adams, J. W. Chapman, G. L. Hinds, F. T. McKeown, L. D. M. Beattie, G. H. Reynolds and W. P. Hetherington.

SEAFORTHS:—Pte. Ward; Pte. Duffy, Pte. McLean, L/C. McKenzie, Pte. Bland; Pte. Crowe, Pte. Cameron; Cpl. Vessey, L/C. Paul, Pte. McPhee, Pte. Miller, Sgt. Butterfield, L/C. Waud, Pte. Atkinson and Pte. Cookson.

Referee: Rev. P. C. Matthews.

French Forces XV Wins with Ease

Shanghai, Dec. 25.

Running rings around a very weak Club 4th XV at the Race Course yesterday afternoon, the French Forces 2nd side ran out eventual winners by the lop-sided margin of 23 points (one placed goal and six tries) to three (one try). The first half was quite interesting, the score at the interval being six to three in the Frenchmen's favour, but after the resumption, the Forces just did as they liked and ripping the Club defence wide open, scored at will with monotonous regularity.

The Club were several players short when the game began two Frenchmen and Cockburn, of the Police coming in later to help them out of their difficulties, but the fast pace that the Forces maintained throughout told its tale in the end, the Club rarely seeing the French 25 in the second period.

The Frenchmen played a forceful, open game that had the Club on the defensive and it would come as no surprise to see many of the winners given a trial in the near future in the first fifteen. Several forwards and backs, Dabbene, Founs, Vilm, Joerg and Abraham, did well.

Lucas, Okimoto and Bennett did well for the civilians but they were outplayed from start to finish by a much more powerful aggregation and the result, one sided as it might seem, was a fair indication of the run of the play.

U. S. Marines Beat Club 2nd

Shanghai, Dec. 25.

Making their 1938/9 debut at the Race Course yesterday afternoon, the United States Marines 1st XV defeated the Club 2nd team in a good, but rather one-sided game, by eight points (one placed goal and a try) to three (one try). The Americans had by far the greater share of the match and at one period threatened to score at will, but as time wore on, it became increasingly evident that although the Marines have the nucleus of a very powerful fifteen, they need more match play, for actual playing experience. Time after time yesterday, the Marine threes found themselves in good positions only to throw away excellent opportunities due, no doubt, to lack of knowledge of finer points of the game.

MARINES 1ST XV:—Pte. Conrad; Pte. Blondin, Pte. Petro, Pte. Walker; Pte. Depizol, Pte. Farrell; Pte. Ciszek, Pte. Juracko, Pte. Solloway, Pte. Harley, Pte. Zarchecki, Pfc. Bixler, Pte. Ferra and Pte. Cooper.

CLUB 2ND XV:—J. L. R. Mair; J. W. M. Martin, A. S. Read, I. F. Aucott, O. P. Edwards; A. Thomas, R. Laird; F. R. L. Carey, M. N. Speyer, G. A. Yanus, J. D. Sayle, J. March, J. R. M. Warner, D. M. Wheeler and W. V. K. Chadwick.

Referee: Mr. G. S. Dunkley.

Shanghai Soccer

Saturday's Games

Shanghai, Dec. 25.

The results of league and cup soccer matches played in Shanghai yesterday were:

TSZ LING CUP

Sokol 3, Ching Hwa 2
Area Details 3, Hotspurs 0
Rowing Club 5, R.A.M.C. 1

RESERVE DIVISION

Surreys 7, S.F.X. 4
S.M.P. 8, Lusitano 2

Christmas Day Results

Shanghai, Dec. 27.

Following are the results of Cup and League games played on Christmas Day:—

TSZ LING CUP

Russian Regt. 3, Bramtoco 4
Abtielung 1, French Forces 8

RESERVE DIVISION

Tung Hwa 9, A.S.F. 1

THIRD DIVISION

P.T.H. 6, J.A.C. 0

Boxing Day Results

Shanghai, Dec. 27.

The results of league and cup soccer matches played in Shanghai yesterday were:—

MARINE'S ENGINEERS' CHARITY CUP

Foreign XI 2, Chinese XI 1

RESERVE DIVISION

Aurora 3, S.R.C. 7

THIRD DIVISION

Vitiaz 2, Beter 3
Russian Club 3, Area Details 9
Tung Wen 3, Xaverians 2

Rowing Club Gains Easy Victory

Shanghai, Dec. 25.

In the first round of the Tsz Ling Cup the Shanghai Rowing Club defeated the R.A.M.C. yesterday afternoon by 6 goals to 1. They had the best of the game throughout and had the soldiers outclassed in every respect. The Club had a very easy win and will probably meet with far greater opposition in the next round.

Rowing Club:—Sinclair, Beattie, Fabian, Dodd McLorn, Muir, Harris, Harrison, Shellam, Harvey, Smith.

R.A.M.C.: — Wilkes, Hirzenbottom, Plumb, Wilmot, Eatwell Whybro, Garside, Goodman, Lewis, Russell, Royal.

Referee:—Mr. Mahon.

Tsz Ling Trophy Play Begins

Shanghai, Dec. 25.

In the first round football match of the Tze Ling Cup, the Area Details team defeated the Hotspurs by the score of 3-0. The game was very dull and uninteresting, in view of the fact that the Details were far stronger in defence than were the Portuguese team in attack. Consequently the game developed into a succession of corner-kicks and goal-kicks at the Hotspurs' end.

The soldiers did not score however until the second half, when their centre-forward, Andrews, scored two goals and inside-right Phimister put the finishing touch to a good pass by Sutherland. The Hotspurs' goal-keeper, Palma, played a very good game and kept his goal intact until, during the second half, he was injured in a collision with the burly Andrews. He had a very able deputy in Braga, who took his place between the "sticks" this player stopping some "hot" shots including one at point blank range from a distance of not more than ten yards.

The teams were:—

AREA DETAILS:—Forsyth, Chalmers, Weir: Sutherland, Simpson, Dunlop: Howes, Phimister, Andrews, McBride, Ferguson.

HOTSPURS:—Palma: Grout, M. Pereira; Semra, A. Remedios, J. W. Remedios; E. Braga, Nieper, A Pereira, B. Remedios, E. Braga.

First South African Test

Johannesburg, Dec. 25.

With Paynter, the Lancashire left-hander, contributing 117 in a brilliant knock, England made a splendid start yesterday in the first Test match against South Africa, batting all day to score 326 for six. Paynter was associated with Gibb in a second wicket stand which produced 184 runs. Gibb himself was responsible for 93.

Edrich, of whom great things were expected, was again a failure, being dismissed for only four runs. Hammond made 24 before being sent back to the pavilion, while Ames contributed 42.

The teams were:—

England: Hammond (captain), Valentine, Yardley, Gibb, Edrich, Goddard, Paynter, Verity, Wilkinson and Ames, with Bartlett as twelfth man.

South Africa: Melville (captain), Mitchell, Nourse, Wade, Viljoen, Van der Byl, Langton, Davies, Dalton, Gordon and Bond.—Reuter.

"N.C.D.N." Photo.

Paper Hunt of the Season

Krikoriantz makes a thrilling finish, winning from Chester Fritz by two lengths over gruelling run.

Paperhunt Won by J. H. Liddell

BY "THE CHASER"

Shanghai, Dec. 25.

The fifth hunt of the Shanghai Paper Hunt Club was held yesterday afternoon and was led by Messrs. J. K. Brand and Chester Fritz, the winner of the previous hunt. The hunt was won by J. H. Liddell who finished first on Siboar while G. Pollock on Keep Off (late White Scamp) was the first 'Y' in and therefore was also a winner. The pair hovered into sight after three quarters of an hour and were well ahead of the others at the finish. Only a small field turned out as most of the people were reserving their ponies for the big hunt—the Christmas Hunt—and only about forty riders competed.

The Card

1. J. H. Liddell on Siboard (Z)
2. G. Pollock on Keep Off (Y)
3. Dr. Y. H. Chou on Walnut (Z)
4. Mrs. E. Andrews on Slipus (Y)
5. Mrs. L. Morton on Dahma (Z)
6. A. A. White on White Major (Y)

Winners: J. H. Liddell and G. Pollock.
Challenge Cup qualification: Keep Off.

Halifax Eventually Beats Mansfield

London, Dec. 21.

The third replay between Halifax and Mansfield in the second round of the F.A. Cup, which was played at Manchester United's ground yesterday, resulted in Halifax winning by a score of two goals to one after extra time was played. Halifax will now meet Birmingham in the third round of the Cup on January 7.—Reuter.

Snow Plays Havoc with Home Rugby

SPECIAL TO THE "N.C.D.N."

London, Dec. 25.

Snow played havoc with sporting fixtures on Christmas eve, especially rugger. Despite the precautions taken to ensure that pitches would be playable, many grounds were covered with six inches of snow.

All scheduled Rugby Union matches were cancelled, with the exception of two: In these Barnstaple beat Plymouth Albion by 11 points to six, and Exeter took the measure of Devonport Services by 13-3.

In the Rugby League four matches had to be postponed. The results of others were:

Barrow 15, Wakefield T. 6
Broughton 12, Oldham 5
Castleford 22, Huddersfield 0
Dowsbury 5, Keighley 10
Halifax 38, Bramley 14
Leeds 5, Salford 0
Leigh 10, St. Helens 18
St. Helens R. 15, Rochdale 13
Widnes 15, Warrington 2
Wigan 37, Hunslet 8.—Reuter.

Christmas Paper Hunt

BY THE CHASER

Shanghai, Dec. 27.

The strong combination of Chester Fritz and Tempest finally met their match yesterday at the Christmas Hunt, when N. I. Krikoriantz on Danville got the better of him by two lengths after a gruelling hunt of about eleven miles, in slightly heavy going, to pass the flags first and win his pink."

About 60 riders galloped away when the word was given and the first to go over the top was Dr. Robertson who approached the first platform with a muddy coat. All through the hunt there were spills galore—even Krikoriantz and Chester Fritz had a toss. The former came down early in the hunt at Christmas Line while the latter parted company for a moment about four miles from home and lost his whip.

The hunt was laid by the Master, Mr. H. M. Spence, who laid the following course: Start: Kesick's Garden; Platform; Forth; Christmas Line and straight on to Hsinjao Village near Beacon's Mound, crossing Siccawei Creek by bridge; New Platform; Big Cross Jump; Harper's Hole; Only Way Line; Only Way; Tiefenbacher's Platform; Green paper at Dalgarno's Plunge over Jordan River; Westwards to Bunded Bastard; Far Away Wade and a ter a check, back over Siccawei Creek by new road bridge; Goods Water Jump; Baby Hops to Mrs. Soyka's and on to Obstruction Wade to second Green paper at Tiefenbacher's Wade. Home by High Low Cross Jump; Deep Platform; Plum Line; Twelve Trees Village and two dry cuts to New Wade and along East of Christmas Wade Village to finish at Spence's Rubicon Finish near handicap wooden bridge over Rubicon Creek. The Y class was won by Miss Hanke on Hay Hay who finished fifth as morgan was disqualified. It is understood that the Stewards will entertain a protest. The card read as follows:

The Christmas Card

1. N. I. Krikoriantz on Danville (Z)
2. Chester Fritz on Tempest (Z)
3. E. B. Moller on Highlight (Z)
4. W. H. Allman on Bull Run (Z)
5. Miss Hanke on Hay Hay (Y)
6. C. O. Cumming on Teas

Winners. N. I. Krikoriantz and Miss Hanke.

Skiing Honours Won By Cambridge

Sestriere, Dec. 22.

Cambridge, with a score of 1,314 points, beat Oxford, whose score totalled 1,150 points, in their annual inter-'Varsity skiing contest held here yesterday.

P. Waddell, of Cambridge, won the downhill event in two minutes and 48 seconds.

D. H. Garrow, of Oxford, won the slalom.

Waddell won the combined event with 274 points.—Reuter.

Shanghai Hockey

United Hockey XI Upset at Last

Shanghai, Dec. 25.

The United Hockey Club senior eleven, the leading team in Shanghai at present, suffered their first defeat of the season at the Race Course yesterday afternoon in a friendly game in which they were defeated by H.M.S. Suffolk by a margin of two clear goals.

The Navy team played an aggressive game. Their defence was solid, giving the fast United forwards no chance to tally. Spittle, centre-half, was the most outstanding player for not only he was a tower of strength in defence but he also participated in many forward movements. His handling of the stick and generalship were fine. Stone in goal was good for he saved some difficult situations. The wingers were very speedy, always outrunning the United defenders. Fletcher on the left was dangerous whenever he had possession of the ball. His running helped him to score the Suffolk's second goal in the second half. The first tally was made by Centre-forward Baker in the first period. Following were the line-ups:—

SUFFOLK:—Stone, Smith, Culmer, Sutherland, Spittle, Penton, Wittington, Nichols, Baker, Nichols, Fletcher.

UNITED:—Leitao, Pate, Collaco, Fonseca, Oliveira, Berglof, Baker, Waldman, Kermani, Murray, Veli.

Army Wins Hockey Game

Shanghai, Dec. 27.

Playing with only ten men, the Shanghai Hockey Club "B" side were trounced by the Shaforce, of 5-1, at the Race Course yesterday afternoon in a friendly game. The army, team was made up of players from the Seaforths, the East Surreys, and the Area Details.

The teams were as follows:—

Shaforce:—Wilson (Seaforths), Le Claire (Surreys), Gunton (Surreys), Gilbody (Surreys), Aberdeen (Seaforths), Penberton (Area Details), MacDonald (Seaforths), Rays (Area Details), Cheney (Seaforths), Fisher (Area Details), Pike (Surreys).

S.H.C.:—Brazel, Blakelock, Cassels, Larson, Ford, Sairbairn, Maude, Knight, Churchill, Watkin-Williams.

Association Football

London, Dec. 24.

Following are the results of the League Soccer matches played today:—

ENGLISH LEAGUE, 1ST DIVISION

Aston Villa 0, Grimsby Town 2
Charlton Athletic 2, Bolton Wanderers 1
Chelsea 4, Liverpool 1
Everton 4, Blackpool 0
Huddersfield Town 1, Brentford 2
Manchester United 1, Middlesbrough 1
Portsmouth 0, Arsenal 0
Preston North End 2, Leeds United 0
Stoke City 1, Leicester City 0
Sunderland 1, Birmingham 0
Wolverhampton W. 0, Derby County 0

2ND DIVISION

Bradford 3, Norwich City 0
Burnley 1, Coventry City 0
Bury 2, Sheffield Wednesday 3
Chesterfield 3, Millwall 0
Luton Town 3, West Bromwich A. 1
Plymouth Argyle 0, Newcastle United 1
Sheffield United 0, Nottingham Forest 1
Swansea Town 2, Manchester City 0
Tottenham Hotspur 1, Southampton 1
Tranmere Rovers 1, Blackburn Rovers 1
West Ham United 1, Fulham 0

3RD DIVISION (SOUTH)

Aldershot v. Port Vale (Postponed).
Bristol City 2, Watford 0
Crystal Palace 3, Bournemouth & B. A. 0
Exeter City 1, Cardiff City 1
Mansfield Town 1, Bristol Rovers 3
Newport Count 2, Clapton Orient 1
Northampton Town 4, Torquay United 1
Notts County 2, Swindon Town 0
Queen's Park R. 2, Reading 2
Southend United 0, Ipswich Town 0 (abandoned).
Walsall 0, Brighton & H. A. 2

3RD DIVISION (NORTH)

Accrington Stanley 1, Halifax Town 2
Barnsley 3, Oldham Athletic 0
Darlington 0, Bradford City 4
Gateshead 0, Crewe Alexandra 5
Hartlepools United 2, Carlisle United 1
Hull City 3, Chester 0
Lincoln City 1, Barrow 1
Rochdale 0, Rotherham United 1
Stockport County 1, New Brighton 1
Wrexham 4, Southport 3
York City 2, Doncaster Rovers 2

SCOTTISH LEAGUE, 1ST DIVISION

Aberdeen 3, Celtic 1
Albion Rovers v. Ayr United (postponed)
Clyde v. Falkirk (postponed)
Hamilton Acas 1, Arbroath 1
Hearts 5, Partick Thistle 0
Kilmarnock v. Motherwell (postponed)
Queen of the South 2, Hibernian 1
Raith Rovers 2, Third Lanark 2
Rangers v. St. Mirren (postponed).

2ND DIVISION

Alloa 6, St. Bernards 1
Dundee United 1, Brechin City 0
Dunfermline Athletic v. King's Park (postponed)
East Stirlingshire v. Dumbarton (postponed)
Edinburgh City v. Forfar Athletic (postponed)
Leith Athletic v. Cowdenbeath (postponed)
Montrose v. Airdrieonians (postponed)
Morton 0, East Fife 2
Stenhousemuir 1, Dundee 1

—Reuter.

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SPORTS (Continued)

Prominent Sports Leader Leaving

Shanghai, Dec. 24.

Shanghai's sporting community will suffer a loss which will be difficult to replace when R. Grimshaw leaves this port on December 28 to take up residence in Hongkong, due to a business transfer to that city where he is to assume an important executive position. "Grimmy" as he has been affectionately known to his intimates has achieved his best recognition as the hardworking President of the Shanghai Football Association over a period of years when football went through a metamorphosis—the transfer from the Race Course matches to the matches which attracted crowds to such venues as the Stadium and the Canidrome due to the entry of Chinese teams.

He has had an all-round interest in sport and apart from holding the presidency of the Shanghai Football Association, has been a Vice-President of the Shanghai Football Club, a Vice-President of the Shanghai Hockey Club, President of the Shanghai Lawn Tennis Association, and the Chairman of the Committee of the Shanghai Cricket Club.

Coming out from England some 30 years ago for a Lancashire piece goods firm, Grimshaw entered the field of sport with as much enthusiasm as any of the keen sportsmen of this day. He became proficient at tennis and cricket, and in the former game won several important matches in the Cricket Club championships, while he achieved distinction in cricket as a bowler and went up to Hankow with the interport team one year. At soccer he played for the Shanghai Football Club.

Functions in His Honour

It was in the executive positions however that he proved most valuable and his presidency of the Football Association has earned him the reputation of being the most hardworking president the Association has had. In thirty years' association with soccer, he has served for fourteen years as a president. He was President of the Lawn Tennis Association from 1932-35 and relinquished that post to remain connected with tennis as a vice president.

He leaves Shanghai on December 28 when he will relinquish his posts in the various associations with which he is connected. A number of presentations are being made to him, and there will be a function at noon today to be attended by executives of the Football Association, and another on Tuesday by committee members of the Cricket Club. He carries with him the best wishes of Shanghai's sporting community.

Foreigners Win Charity Match

Shanghai, Dec. 27.

The charity match at the Canidrome between the foreign selected team and the Chinese "all-star" team was honoured by the presence of Sir Archibald Clark Kerr, H. M. Ambassador to China, who started the game by kicking the ball straight at a press photographer, quite unintentionally of course, but raising a laugh with the record crowd of spectators, numbering at least 10,000.

The game was productive of one of the finest exhibition of soccer seen in Shanghai for a very long time, both sides playing fast, exhilarating football, quite worthy of the splendid Marine Engineers' trophy for which they were playing to hold for the next twelve months or so.

The foreign team defeated the Chinese by the close score of 2-1, which is indicative of the actual play. Both sides impressed with their clever and entertaining football, although Peachey of the Seaforth Highlanders was hardly fit for this game after his recent injury.

It would not be fair to point out individuals in this excellent game, for every man on the field did his level best to produce good, clean football, consequently very few, if any, intentional fouls were seen. L. K. Tai, the Tung Hwa centre-forward scored the goal for the Chinese side with a perfectly placed header well wide of Atkinson while "Bobby" Favacho of the "Recs" scored both of the foreigners' goals with two excellent shots.

Before the kick-off the captains of the teams were introduced to Sir Archibald by Mr. Grimshaw of the Shanghai Football Association.

The teams were :—

Foreign XI:—Atkinson; Marcal (capt.), Collet; Westwood, McAloon Symons; Favacho, McGuigan, Fraser, Rosario, Peachey.

Chinese XI:—Chow; Chang, Zee; Tsiang, Lee, Yung; Chia, Suen, Tai, Kiang, Van.

Referee:—Mr. J. Anderson.

Linesmen:—Mr. Sung and Mr. Carnell.

SHANGHAI LAW REPORTS

H.M. Coroner's Court

Police Hospital Matron's Death

INQUEST ON MISS JEAN MCLEAN MARTIN

Before Mr. I. T. Morris, Acting Coroner

(Open Verdict)

Shanghai, Dec. 21.

Before Mr. I. T. Morris, H.M. Coroner, the inquest on the body of the late Miss Jean McLean Martin, matron of the Shanghai Municipal Police Hospital, who died on December 11 following a fall from the roof of the hospital, was resumed in H.M. Coroner's Court yesterday morning.

The first witness to give evidence, Miss Ethel Louise Warren, Senior member of the Nursing Staff, S.M.C., who had previously given evidence of identification at the opening of the enquiry, stated that she had known deceased as a member of the S.M.C. nursing staff and since her death she had examined the messing and petty cash books in connection with the Police Hospital and had found everything to be in order. Miss Martin, she added, was a very efficient matron and was well liked by the staff of the hospital.

Answering Mr. Morris witness said that deceased had never threatened to take her life during the period she had known her. She had had a very strenuous time during the hostilities, however, and her leave had been advanced to December of this year.

Miss Honor Harding Glencoe, a nursing sister on the staff of the Police Hospital, told the Coroner that she had known Miss Martin for six years and had worked with her for three years. During that time witness had found her very pleasant to work with, adding that she was very popular with the Chinese staff. She had never heard Miss Martin threaten to take her life.

On Saturday afternoon, December 10, witness stated that she had tea with Miss Martin at the hospital, and at this time all the staff was rather depressed about the death of Miss A. Z. Davies, the Assistant Matron, who had passed away in the Country Hospital on the previous day. During the tea Miss Martin showed her certain presents which she had bought in preparation for her leave.

George Edward Clarke, Senior Warder and Personal Assistant to the Governor of Ward Road Gaol, told the court that on the morning of December 11 shortly after 10 o'clock he saw two or three of the Gaol staff running towards the Police Hospital. Following them to the rear of the hospital compound he saw a ladder leading to the roof of the hospital garage, on the roof of which were three warders. Climbing on to the roof he saw the body of Miss Martin, who was pronounced dead a few moments later by Dr. Hau.

Mr. Westwood, Deputy Governor of the Gaol, then arrived and the former questioned Indian Warder No. 3 as to how the lady had entered the rear door of the hospital. His reply was that she had informed him that she was a sister and wanted to go upstairs. On the roof of the hospital they found a wicker chair in a position denoted on a photograph (produced) and looking over the wall saw the body on the garage roof directly underneath the position of the chair.

The No. 1. Chinese boy at the Police Hospital stated that on the night of December 10 Miss Martin returned home and told him that she was late because she had been to see Miss Davies. He knew that Miss Davies had died on the previous day. He served her with dinner—a cup of soup and a plate of toast—and noticed that she appeared to be very sad, probably on account of the death of Miss Davies.

On Sunday December 11 he called her at 7 a.m. and served breakfast at 8. At 9.15 she was fully dressed and ready to go out. She left at about 9.25 in a Ford car.

The inquest was then adjourned until December 22.

Resumed Hearing

Dec. 23.

An open verdict was returned by Mr. I. T. Morris, H.M. Coroner, in the inquest on the body of Miss Jean McLean Martin, matron of the Shanghai Municipal Police Hospital, who died following a fall from the roof of the hospital. The hearing was resumed in H.M. Coroner's Court yesterday morning and in coming to his decision, the coroner said: "I have considered the evidence given at this enquiry very carefully and I find that Jean McLean Martin, died at Shanghai on December 11, 1938, as a result of injuries caused by a fall from the roof of the Police Hospital in Ward Road.

"As I am unable to say, on the evidence before me, that the deceased committed suicide or that her death was due to an accident, I have no alternative but to return an open verdict."

Sub-Inspector James Albert McCahey earlier gave evidence. He stated that between 7.30 and 8 o'clock on December 12, witness and Inspector Myerscough made some investigations at the Ward Road Police Hospital with a view to finding by what means Miss Martin had fallen from the building. Witness examined the nurse staff quarters on the seventh floor. Inspector Myerscough and witness took the lift on the west side of the building and when they arrived at the nurses' quarters, they found that the main door to the flats, on the right side of the lift, was open, all the others being locked.

They proceeded to the roof of the building and the door leading out unto the roof, was found ajar. A chair was seen standing against the rear north wall of the building overlooking the compound and almost facing the gaol hospital.

Looking over the wall near the chair, a pool of blood could be plainly seen on the garage roof below although the examination of various other floors, windows and verandas of the police hospital, definitely brought out no clues which might have shown how the deceased fell from the building.

The other witness questioned during yesterday's hearing, was Sub-Inspector Cedric Arthur Mason, attached to the Fingerprint Bureau of the Shanghai Municipal Police. He stated that on December 14, 1938, he took a photograph (exhibit No. 2) of a chair shown to him, and standing on the roof of the hospital. He had already examined the chair on December 12, and found that it was impossible to discern any fingerprints as the surface of the chair was too rough. Witness also stated that he found the seat of the chair broken in a way which indicated that a heavy weight must have rested on it possibly caused by someone standing on it.

The Coroner then returned the verdict.

Miss Martin, had been on the staff of the Police Hospital for about sixteen years and was only recently decorated for her bravery during last year's hostilities. During previous hearings of the inquest, it was found that all her papers and documents as well as the accounts of which she had charge prior to her death, were in perfect order. One of the witnesses heard at an earlier hearing also said that the day preceeding Miss Martin's death, the whole nursing staff of the hospital was somewhat depressed over the death of Miss A. Z. Davies, the assistant matron, who had died in the Country Hospital on December 9.

First Special Court

Long Prison Terms for Robbers

Shanghai, Dec. 21.

Convicted of having robbed no less than 11 pleasure seekers of their cash during curfew hours, four robbers were sentenced to 12 years' imprisonment each yesterday by the First Special District Court. Another member of the gang was sentenced to serve three years in goal for dealing in opium. Five persons who were arrested together with the sentenced men were declared not guilty and acquitted.

It was revealed by the prosecution that the favourite trick played by the accused was to commandeer motor-cars driven or hired by their victims leaving amusement resorts soon before the curfew hour began and by squeezing into the cars they were able to rob their victims of their cash. They did so at the point of pistol. In the possession of the sentenced men two pistols and 15 rounds of ammunition were found.

Suspended Term for Extortion

Shanghai, Dec. 21.

Found guilty of having extorted $1,300 from a motor car repair shop owner, a Chinese detective attached to the Bubbling Well Police Station named Chang Teh-sen was sentenced to 18 months' imprisonment yesterday by the First Special District Court but the sentence was suspended for four years. His accomplice, Koo Chi, received a 6-month prison term charged with aiding and abetting in the crime.

According to the court findings, Chang visited his victim Tong Keng-foh, proprietor of the motor car repair shop in 291 Weihaiwei Road on December 3 alleging that Tong had bought three trucks the origin of which was suspicious, and threatening to turn him over to the Japanese authorities. He told his victim that the latter would be executed by the Japanese if he were handed over.

Chang suggested that Tong should pay $5,000 to him in order to have the matter hushed up and introduced the second accused as the middle man and guarantor in the deal. As Tong could not pay that much, negotiations later resulted in Chang agreeing to receive $1,300 which sum was actually collected by the second accused and turned over to Chang.

Chang was arrested by his colleagues when he showed up himself at the Weihaiwei Road shop in order to demand more money.

It is understood that the sentenced men will have to pay in full the money which they extorted from their victim who has filed a civil action against them.

Fraud Over Steamer Charter

Shanghai, Dec. 21.

Charged with fraud in which the accused promised to charter a steamer but failed to do so after collecting $7,000 in cash and a cheque for more than $4,000, three Chinese are being detained by the First Special District Court and the hearing is to be resumed on December 28. Yesterday, two more men were arrested by the police in connection with the same case and were also detained by the court to be tried together with the three men.

According to the police findings, the three men, Shih Kwang-chang, Tsao Hung-yi and Wu Chao-hwa, last month asked Lo Wan-hsiang, who owns a transportation firm in Canton Road, to charter their steamer. They discussed the lease in a Foochow Road hotel and it was later agreed that after paying the charter the trio should let Lo have the boat at a specified time. The three accused were alleged to have received a cheque from Lo but they never showed their steamer.

When asked about the steamer, the accused told their victim that the procedure for procuring a permit from the Japanese had delayed them in fulfilling their agreement. This aroused much suspicion and so the police were informed. The three accused were arrested. The police found out that besides a cheque for more than $4,000 which they did not cash the accused also had obtained by means of fraud $7,000 from Lo.

The two new arrests were made in a paper hong in Rue du Consulat, the manager of which is alleged to be the guarantor for the three accused in the deal. They were arrested when the police arrived to investigate the seal of the manager which was used in the lease. The arrested men including the manager himself are alleged to have hidden an old seal of the manager leaving a new one for the police to investigate. On suspicion that they were also involved in the fraud, they were taken into custody but no charges have been framed against them yet.

Foreigners Sentenced for Fraud

Shanghai, Dec. 22.

Found guilty of having defrauded Mr. Ed Egle, manager of the Siber Hegner and Company in Museum Road by posing as arms purchasers of the Chinese Government, a Pole named Stanislay Adamsky and a Russian named C. Denisoff were sentenced to 18 months' and 14 months' imprisonment respectively yesterday by the First Special District Court. A Chinese involved in the case who self-styled himself as "General Chang" was declared not guilty and set free. The sentenced men will have to return the sum defrauded, $9,040.

The case dates back to April when the first accused approached the complainant saying that he wanted to buy firearms for the Chinese army while the latter promised to supply gas masks. He also told of "General Chang" who, he said, had deposited a million dollars with a local bank for the purpose of making the purchases and later introduced the Russian accused to his victim. For several months the deal dragged on and during this period both sentenced men obtained $9,040 by instalments.

They also deposited with the company, as a guarantee, two boxes of gold discs which later turned out to be copper coins. The victim finally realized that he had been swindled of $9,040 and brought the matter to the attention of the police. Both sentenced men were convicted in 1936 on a similar charge.

Terrorist Sentenced

Shanghai, Dec. 23.

Charged with attempted murder, Chu Shing-liang was sentenced to two years and eight months' imprisonment yesterday by the First Special District Court. He was found guilty of shooting Wong Yung-kwei, an alleged official of the new Greater Shanghai City Government, in Bubbling Well Road on December 2. Wong, it will be recalled, escaped unscathed but Chu himself was shot down by the police and arrested red handed. After recovering from a bullet wound in the leg he was brought before the court for trial.

Sing Song Girls Thief

Shanghai, Dec. 23.

Convicted on charges of larceny Loh Yih-zung was given one year in jail while his two accomplices each drew an eight months' prison term in the First Special District Court yesterday. Police evidence was that on November 2 the trio summoned by telephone two girls from a girl guide service asking them to go to the Grand Hotel in Yu Ya Ching Road. Upon their arrival the girls were politely given cigarettes which were drugged and soon they passed out. When they came to themselves they discovered that their coats and some cash had been stolen and their patrons gone. The three men were arrested only last week.

Salt Deal to Be Made Test Case

Shanghai, Dec. 23.

Seven Chinese officials of the Salt Administration at 1331 Sinza Road which is under the control of the "Reformed Government" at Nanking have been sued by a group of salt merchants in the First Special District Court for their alleged failure to pay for 500 piculs of salt which they bought under the name of a new company, according to a Chinese report.

This will be an interesting test case as far as the accused officials are concerned for they are not supposed to be under the jurisdiction of the Settlement court which the new Nanking regime once made a futile attempt to take over owing to opposition from foreign authorities bound by the Court Rendition Agreement.

According to the report, the accused officials have allegedly organized a salt company themselves and negotiated with a certain group of salt merchants to ship salt to the company. To carry out an agreement the salt merchants shipped 500 piculs of salt to Woosung in September. The salt is stated to have been unloaded and put in a godown. The merchants were asked to pay $1,250 salt tax for which they obtained a receipt from one of the accused officials.

The petition to the court is said to have alleged that the officials have failed to pay the price money of the sale thus sent to them despite repeated written requests made by the merchants.

Second Special Court

Jail Breaker Sentenced

Shanghai, Dec. 23.

Engene Kolgoff, a young Russian prison breaker who on October 29 escaped from the Second Special District Court Prison together with another Russian convict Victor Borissenko who is still at large, was sentenced yesterday by the same court to three years' imprisonment for his ingenious but futile attempt to evade the law. Two Chinese warders of the court prison were sentenced to two months' imprisonment each for their negligence. Kolgoff, it will be recalled, was recently arrested by the Settlement police after he had escaped from the prison and on a cable theft charge he was given a nine-month prison term by the First Special District Court.

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FOREIGN TELEGRAMS

Britain and China Rights

Numerous Representations Made to Japanese Over Shanghai Joint Chamber Protest Note

London, Dec. 20.

"IN face of forces which have been loosed simultaneously in the Far East and Europe, you cannot expect this Government, to secure satisfaction for any claim, as it arises under such abnormal conditions." This statement was made by Mr. Neville Chamberlain, the Prime Minister, when referring to matters in the Far East in the course of his speech in the House of Commons yesterday. The Premier declared that the sufferings inflicted on the Chinese population far exceeded in scale the Spanish tragedy, and the opportunities for alleviation were much less.

"Our own long-established interests in China have inevitably suffered serious material loss during this conflict," Mr. Chamberlain added. "All that you can expect is that everything which is possible to be done shall be done, and that no claim and no interests shall be overlooked. I want to assure the House that that is being done, that we are defending our rights, and that we are not prepared to deny either of the combatants the normal relations which they are entitled to expect from a friendly Power."

Referring to the loan to China from the United States, Mr. Chamberlain said: "I understand that this loan is credit, designed to facilitate United States exports to China.

"In principle, His Majesty's Government would be very glad if it were found possible to facilitate certain United Kingdom exports to China in the same way. That is a question which will be considered sympathetically when the Exports Guarantees Bill has been passed.

"In the meantime, we can only await the outcome of the hostilities in the Far East, while watching closely for any opportunity which might enable us to assist in bringing it to an end upon fair and reasonable terms."

In his speech following that of the Premier, Sir Archibald Sinclair, the Liberal leader, declared that he found it difficult to reconcile the Premier's statement and policy with the League resolution to which Great Britain was a party.

Numerous Representations

Numerous representations have already been made to the Japanese authorities with regard to the joint statement issued by the British, French and American Chambers of Commerce, and the national associations of eight countries represented in Shanghai, declared Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs, in answer to a question in the House of Commons yesterday.

The statement, which complained of Japanese restrictions on foreign trade, had only just been received by the Foreign Office, and so he was not in a position to make a full statement on the matter, Mr. Butler added.

Sir John Wardlaw-Milne, (Conservative member for the Kidderminster Division of Worcestershire), who posed the question which elicited Mr. Butler's remarks, asked: "Isn't this the first time that all the trade associations, representing various countries, have joined together in a note to protest at the position of the trade of foreigners in Shanghai?"

Mr. Butler: "Yes, I believe that is so."

Yangtze Shipping Question

Questions on many different aspects of the situation in China, again reflecting members' anxiety over the prospects for foreign trade, were asked in the course of yesterday's session of the House.

Commander Arthur Marsden, Conservative member for the Chertsey Division of Surrey, and Captain Alan Graham, Conservative member for the Wirral Division of Cheshire, asked whether Mr. Butler was aware that Japanese merchant shipping was plying freely up and down the Yangtze, but that no Japanese cargo vessel had yet met with misfortune owing to drifting mines, alleged by the Japanese to be the objection to the re-opening of the river to British shipping.

Mr. Butler replied that advertisement notices of sailings appeared in the Chinese language press in Shanghai, providing evidence that Japanese steamers were trading on the Yangtze.

Gaimusho to Revise Issue

The Japanese Minister for Foreign Affairs, (Mr. Hachiro Arita), had now undertaken to give further consideration to the matter, in the light of the fresh evidence which Sir Robert Craigie, (British Ambassador in Tokyo), had placed before him.

The Japanese Government, in their Note to the British Government, delivered on November 14, stated that a Japanese transport, recently sunk by mines, appeared to be an isolated instance of the dangers to shipping on the Yangtze.

Hongkew Anomaly

Mr. Adrian Moreing, Conservative member for Preston, asked whether the Premier had been informed of the attitude of the Japanese authorities in "allowing Japanese soldiers in the Yangtzepoo District to sell entire buildings cheaply for breaking up, and for the sale of bricks outside the area, demanding large sums for their 'personal protection,' and for permission to carry the goods outside the area;

"And to what extent such opportunities of illicit profit are proving a permanent obstacle to the restoration of the area to the control of the Shanghai Municipal Council?"

Mr. Butler replied:—

"No. Therefore, the last part of the question does not arise."

He added that the restoration of the Yangtzepoo area to the control of the Shanghai Municipal Council was at present under active consideration with the Japanese authorities.

Tsingtao Restrictions

Mr. Alan Chorlton, National Conservative member for Bury, asked concerning the result of enquiries into the case of a British firm in Tsingtao, whom the Japanese naval mission had prevented from shipping a case of steel samples to their agency in Shanghai.

Mr. Butler replied that he understood the consignment was effected after the matter had been taken up by the British Consul-General with his Japanese colleague.

Replying to a question by Commander Arthur Marsden, Conservative member for the Chertsey Division of Surrey, concerning the alleged establishment of a shipping monopoly on the inland waterways of the Yangtze Basin, Mr. Butler replied that he was calling for a report on the company, which styled itself the "Shanghai Inland Navigation Steamship Company," and which was understood to have claimed a monopoly in those waters.

Mr. Arthur Creech Jones, Labour member for the Shipley Division of Yorkshire, asked whether the newly-formed Yangtze Shipping Company was likely to exercise a monopoly, and whether the British Government proposed to take action to maintain British interests.

Mr. Butler replied that the British Consul-General in Shanghai (Sir Herbert Phillips) had promised to furnish particulars as soon as possible.

Tientsin Mail Censorship

Mr. Robert Morgan, National Conservative member for the Stourbridge Division of Worcestershire, asked what steps had been taken to prevent the Japanese censor at Tientsin from tampering with the British mails.

Mr. Butler said that the letter mail did not appear to have been interfered with, but Lord Halifax, (the Foreign Secretary) had received reports of the detention of a certain Shanghai British newspaper in Tientsin.

Sir Archibald Clark Kerr, the British Ambassador in China, had been asked to report on what action was best calculated to resolve the difficulty.

Mr. Hamilton Kerr, Conservative member for Oldham, drew Mr. Butler's attention to the large trade in narcotics which had developed in eighteen factories in the Peiping and Tientsin area, and asked whether the "Japanese military authorities are encouraging and sanctioning the same."

N. China Drug Traffic

Mr. Butler replied that he was aware of the existence of these factories, but that he had no evidence of the attitude of the Japanese military authorities with regard to them.

Mr. Philip Noel-Baker, Labour member for Derby, asked whether it was not a fact that, wherever the Japanese were in control, traffic in drugs developed. He suggested that the Government make representations to Tokyo on the question.

Mr. Butler replied:—

"Perhaps Mr. Noel Baker will give me any further information in his possession. Our information tends to show that what he says is correct."

Mr. Hamilton Kerr asked what steps were being taken to counteract the illicit importation of drugs, "turned out in vast quantities in Chinese territory under Japanese control."

Mr. Geoffrey Lloyd, Under-Secretary of State for Home Affairs, replied that there was no reason to suspect that drugs "manufactured in the Far East are entering Great Britain."

Tsingtao Export Permits

Mr. Robert Morgan asked whether Mr. Butler was aware that export permits were not granted by the Japanese authorities at Tsingtao, when exports were financed through foreign banks by means of Chinese national currency.

Mr. Butler replied in the affirmative, and declared that Lord Halifax had the matter under consideration.

In reply to Sir John Haslam, Conservative member for Bolton, who asked whether Mr. Butler was yet in a position to make a statement with regard to the intention of the Japanese authorities in China to impose extensive restrictions at Chinese ports under their control, analagous to the import restrictions recently imposed in Japan, Mr. Butler said that no official confirmation was forthcoming that the Japanese authorities intended to impose such restrictions.

"Open Door" Retaliation

Asked by Mr. Robert Moran whether the British Government was considering taking descriminatory trade action against Japanese goods until the restoration of the "Open Door" in China, Mr. Butler said that the British Government was considering taking descriminatory trade action against Japanese goods until the restoration of the "Open Door" in China, Mr. Butler said that the British Government had under constant review the question of what steps might be taken to protect British interests in China.

They were prepared, he said, to give their consideration to any matters proposed for the protection of British interests in China.

Replying to a further question by Mr. Adrian Moreing, Mr. Butler declared that Lord Halifax understood that, in certain cases, British-owned cargo had been shipped in Japanese, in preference to British vessels, to North China ports.

Representations, he said, had been made to the Japanese Government on December 1, and the Government would continue to press the matter until discrimination against British shipping was removed.

Gaimusho Consultations

Mr. Arthur Henderson, Labour member for the Kingswinford Division of Staffordshire, inquired into the nature of the communication on Japan's economic and trade policy in China, made by Mr. Hachiro Arita, the Foreign Minister, in an interview with Sir Robert Craigie on December 8.

Mr. Butler said that the conversation was informal, and exploratory, and that no official communication had been issued by either side.

He added that the British and American Ambassadors kept each other fully informed on all matters of common interest, and, no doubt, exchanged views both before and after the interview with Mr. Arita.

The British Consul-General at Tientsin has reported that the Japanese authorities do exercise a monopoly over the freight carried on the railways in North China, and that preference is given to Japanese military requirements.

Making this statement, Mr. Butler added that apart from this, no specific instances of discrimination had yet come to his notice.

Shanghai Drug Traffic

Sir John Haslam asked whether Mr. Butler's attention had been drawn to the "rapid expansion of the trade in narcotics in the Japanese occupied area of Shanghai."

Mr. Butler, in reply, declared that information possessed by Lord Halifax led him to fear that this might be the case.

Any formal representations to the Japanese Government, Mr. Butler added, must depend on the nature of the further evidence now being collected.

Winding up yesterday's debate on behalf of the Opposition, Mr. A. V. Alexander, Labour member for the Hillsborough Division of Sheffield, concluded a critical speech with a special plea for China.

The position in the Far East, he said, was worsening weekly.

"The Government has not even got the 'guts' to adopt their own Geneva resolution," declared Mr. Alexander.

They heard little about the individual application of sanctions against Japan, or help for China, although, in China, 30,000,000 persons had been rendered homeless, and there had been 1,500,000 casualties within eighteen months.

Referring to the American loan to China, he said that they looked to the British Government to do something equally potent.

U.S. Lead Praised

Ever since Sir Frederick Leith Ross' Mission to China, there had been much confidence shown to Britain by the Chinese, because of the stabilized currency which had resulted from that Mission.

Mr. Alexander pointed out that the Americans had purchased from the Chinese a large part of their silver reserve, while Japan was doing everything possible to undermine China's existing currency.

"If China is to have a decent chance to win through," Mr. Alexander went on, "her currency needs support.

"The American decision should be taken as a lead to us for further concerted action, and the collaboration with America, in the Far East which is possible for us may lead to developing a long-standing friendship with America in the future."

Stimson Legend Denied

In a speech winding up the debate, Sir John Simon, the Chancellor of the Exchequer, answered Mr. David Lloyd George, who had suggested that the "early failure of British policy lay in not being prepared to join the United States in resisting Japan."

Sir John cited a previous controversy on this issue, including the implication that Great Britain did not support Stimson's desire to invoke the Nine Power Treaty when Japan seized Manchuria.

"There is not the slightest syllable of truth in that suggestion," Sir John declared.

"I myself," he added, "brought a proposal of this kind before the appropriate body at Geneva.

"This was adopted, and the United States thanked us, and expressed gratification at the action taken in the Assembly of the League."—Reuter.

Shanghai Traders Want Swift Move

London, Dec. 20.

The decisions of the Committee of British businessmen, who conferred with Sir Archibald Kerr, British Ambassador to China, and Vice-Admiral Sir Percy Noble, Commander-in-Chief of the British Asiatic Fleet, in Shanghai last week-end, are revealed today by the diplomatic correspondent of "The Times" on the basis of a private report received in London.

The Committee, says the correspondent, unanimously agreed that a "policy of laissez-faire, passive resistance or co-operation with the Japanese," would bring destruction to British interests as its only result.

They advocated, the correspondent adds, a retaliatory action.

They, themselves, touched on a denunciation of the trade agreement, he declares, but whatever the Government intended to do, they declared, must be done quickly.

"Federal" Regime Dangerous

Should the Japanese establish a puppet federal government, he states, the businessmen felt that their difficulties would only increase, for, according to their information, the Japanese would use such a Government for eliminating foreign interests.

Finally, says the correspondent, the Committee requested "immediate and definite advice" of the British Government's plans.

Turning to the statement made by Mr. Hachiro Arita, Japanese Foreign Minister yesterday, the diplomatic correspondent says that it is being carefully considered at White Hall.

On the face of it, he adds, the statement seems bleak and uncompromising but further details are being awaited from Tokyo.—Reuter.

"Vigorous Commonsense"

"The Times" today finds that the passage in which Mr. Neville Chamberlain, the Prime Minister, spoke of China in his speech in the House of Commons yesterday, is equal to his others in its "vigorous commonsense."

After paraphrasing Mr. Chamberlain's main points, "The Times" remarks that there can be no doubt that both the interest and outlook of the United States and Great Britain, regarding the conflict between China and Japan, are so similar as to be almost identical.—Reuter.

U.S. to Send Wheat To Aid Chinese

London, Dec. 22.

According to the Washington correspondent of the "Daily Telegraph," 500,000 bushels of wheat per month, for the next six months, will be provided by the Red Cross for the relief of suffering China. The plan, he says, is similar to that undertaken by the Surplus Commodities Corporation for civilians in Spain, as has been announced by Mr. Sumner Welles, U.S. Under-Secretary of State.—Reuter.

Japanese Peddling Bonds in Hawaii

Honolulu, Dec. 20.

Mr. Roger Kent, official representative of the Securities and Exchange Commission, today announced investigation had disclosed that approximately Y.500,000 worth of the Japanese Government's unregistered Emergency Bond Issue had been sold in Hawaii, in violation of the S.E.C. laws.

Mr. Kent said that an agent of the Japanese Government in Hawaii had offered the bonds for sale. The total issue originally offered in Hawaii was about Y.1,000,000, he said.

The S.E.C. official said he had not decided whether persons selling the bonds would be criminally prosecuted. This violation of the law carries with it a maximum penalty of a U.S.$5,000 fine and five years imprisonment. The bond offer, he revealed, was to have expired on New Year's Day.

The Japanese Consul-General, Mr. Kosaku Midzusara, said that he had no knowledge of Mr. Kent's investigations. He stated that he did not know of any efforts being made to sell unregistered bonds and asserted that he had not delivered any abnormal amounts of money to Japan in the past year.

However, the Japanese officials said that possibly some individuals had gone to Tokyo, bought bonds there and returned to Hawaii where they might have attempted to sell them.

Heavy Penalties Involved

The maximum penalty of U.S.$5,000 fine and five years imprisonment applies to each violation of the law, Mr. Kent revealed, presumably implying that each sale of a single bond could be punished.

It was learned that Mr. Kent had subpoenaed at least six persons and held a hearing here yesterday. The hearings were being continued today.

Mr. Kent told the press that so far as he knew no official agencies had offered bonds, which he supposed were distributed by Japanese societies and others. He said that no further disclosures would be made until a complaint had been issued. He strongly indicated, however, that such a complaint would be forthcoming provided the evidence obtained in the present hearings justified such action.

Meanwhile other sources indicated that large sums of money had been flowing to Japan from Hawaii during recent months. Most such sums were believed to represent patriotic donations to the War Ministry. However, some were undoubtedly believed to cover the purchase of unregistered bonds.—United Press.

Moscow Will Keep Japan Guessing

London, Dec. 23.

Diplomatic circles here are closely watching the Russo-Japanese deadlock over alleged Japanese fishery rights round Northern Saghalien.

By the Treaty of Portsmouth, of 1905, Saghalien is equally divided between Russia and Japan, these circles point out. The latter obtained rights to fish in the waters of the Northern, or Russian half, and also to prospect for oil. Owing to the anti-Comintern Pact of November, 1935, they point out, the Soviet refused to renew this Convention.

A temporary extension was subsequently arranged, they point out, but Manchoukuo's failure to pay an instalment on the purchase price of the Chinese Eastern Railway caused fresh complications.

Important as the fisheries are to supply Japan's staple diet, the political aspect of the deadlock is universally regarded as far transcending the commercial, especially in view of the announcement by M. Maxim Litvinoff, the Soviet Foreign Commissar, that ten per cent. of the waters must be excluded for strategic reasons.

Significant Troop Movement

"Japan does not transfer five divisions from North China to Northern Manchoukuo without good cause," declared a military observer, well acquainted with the disputed area, in an interview with Reuter.

"This must seriously delay her plan of invading Kansu and Shensi to cut China's communications with Russia. It seems very improbable that the Soviet wants a war with Japan, but she certainly does not want Japan to establish herself permanently in North and Central China. Now is a good time for creating a diversion, when Britain and America are showing signs of a desire actively to assist China. The Soviet's policy is to keep Japan guessing," he added.—Reuter.

German Soviet Trade Pact Prolonged

Berlin, Dec. 21.

An agreement has been reached between the Reich and the Soviet trade delegation here to prolong this year's trade accord for another twelve months.—Havas.

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FOREIGN TELEGRAMS (continued)

Clamour for China Action

Commons Assured Britain in Close Contact with U.S. Administrations ; Royal Navy Increase

London, Dec. 22.

THERE was continued clamouring in the House of Commons yesterday for retaliatory measures against Japan for her alleged discrimination against foreign trade in China. "In view of Japanese discrimination against the trade of Great Britain and the United States in China," said Mr. Morgan Price, Labour member for the Forest of Dean Division of Gloucestershire, "will the Government consult with China about retaliatory measures against Japanese trade, which the two Governments may jointly undertake ?"

Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs, in reply, referred Mr. Price to the reply given to Mr. Arthur Henderson on November 11. On that occasion, Mr. Henderson asked the Government if it was still prepared to co-operate with the United States in reaffirmation of the principles of the Nine Power Treaty. In reply, Mr. Butler referred Mr. Henderson to his speech in the debate of November 9.

Mr. Price followed up his first question by asking whether Mr. Butler were aware that there is "presently a strong feeling in the United States against Japanese discrimination against American trade, and is not now particularly the moment that relationships with the United States in this matter should be maintained?"

Mr. Butler declared in reply: "I believe that all Mr. Price says is true."

Mr. Arthur Henderson, Labour member for the Kingswinford Division of Staffordshire, asked whether, in fact, the Government was maintaining close relations with the United States Government.

Mr. Butler replied: "In my previous answer, I indicated that that was the case."

Singapore Fleet Strengthened

Lt.-Cmdr. R. T. H. Fletcher, Labour member for the Nuneaton Division of Warwickshire, asked: "By what date is it intended to station at Singapore a fleet adequate to obviate the necessity of Australia acquiring capital ships?"

Mr. Geoffrey Shakespeare, Parliamentary and Financial Secretary to the Admiralty, replied that it would be appreciated that it was "not in the public interest to disclose possible future dispositions of His Majesty's ships."

The strength and composition of the Royal Australian Navy, he went on to say, was a matter for decision by the Commonwealth Government, and their present intentions in the matter were announced by the Minister of Defence in the House of Representatives at Canberra on December 6.

Adequate Protection Assured

Mr. Shakespeare added that the "United Kingdom Government would welcome any steps taken to increase the strength of the Royal Australian Navy, and Australian participation in the common task of Imperial defence."

Commander Fletcher then asked if the Naval Staff were satisfied that, in the event of capital ships becoming necessary for the defence of Australia in the near future, it would be possible to provide them.

Mr. Shakespeare said that the Australian Minister of Defence, in a recent speech, declared that Australia looked to the United Kingdom in an emergency to station at Singapore a fleet strong enough to safeguard the Empire's interests in the Eastern Hemisphere. That was an accurate statement of the position, Mr. Shakespeare added.

Canton Incident Queried

Mr. Anthony Crossley, Conservative member for the Stratford Division of Lancashire, enquired regarding the result of the enquiries into a case in which Japanese soldiers entered the premises of Andrew Harper & Company, Canton, and seized motor cars, and accessories there, despite British consular seals on the building.

Mr. Butler said he thought the reference was to Wallace Harper's. The company, he said, was registered as British, but a substantial block of the shares was at present in foreign, non-Chinese hands.

Lord Halifax, Mr. Butler went on, had been asked for details beyond those already received, with a view to deciding whether any further action was requisite beyond the representations already made by the British Consul-General in Canton.

Chefoo Shipping Delays

Attention was drawn by Mr. John Crowder, Conservative member for the Finchley Division of Middlesex, to the delays to British shipping in Chefoo, owing to the Japanese authorities granting a monopoly of lighter transport. Mr. Crowder also enquired what action the Government was taking in the matter.

Mr. Butler replied that Lord Halifax had not recently received any reports on the subject. Representations, he went on, had been made to the Japanese Government on the general question of discrimination against British shipping in North China, including Chefoo.

Mr. William Craven Ellis, Conservative member for Southampton, sought details of the proposal to assist by Export Credits the sale of lorries to China.

Mr. R. S. Hudon, Secretary for Overseas Trade, replied: "Certain proposals for guarantees, in connection with exports to China, are being considered, but there are obvious objections to giving detailed information while the negotiations are proceeding."

Telegraphic Communications

Asked by Mr. James Hall, Labour member for the Whitechapel and St. George's Division of Stepney, regarding the conditions of telegraphic communication during the hostilities in China, Mr. Butler replied that a certain amount of interruption inevitably occurred, but it might be said that, generally speaking, communications at present were adequate.

Replying to Mr. Adrian Moreing, Conservative member for Preston, Mr. Butler said that, in a Note addressed to Sir Robert Craigie, the British Ambassador in Tokyo, on December 8, Mr. Hachiro Arita, the Japanese Foreign Minister, had stated that "no change whatever has occurred during the past three months to render the survey of the Shanghai-Nanking line possible."

Currencies, Railway Revenues

Revenues, Mr. Butler went on to say, were collected in Japanese yen, and Japanese military yen notes on this and the Shanghai-Hangchow railways. On the Peiping-Mukden Railway, Federal Reserve Bank currency was in general use, except on the Manchurian section, where Manchurian currency was used. Interest on the Peiping-Mukden loan had been paid to date.

Lord Halifax had communicated with Sir Robert Craigie regarding other obligations secured on these railways.

Mr. Adrian Moreing asked if the Government were really satisfied with these "continual excuses" regarding the surveying of the Shanghai-Nanking Railway. He said that it was "some months" since he had raised the matter.

Mr. Butler said that he appreciated Mr. Moreing's anxiety, which was shared by the Government. The Japanese Note, Mr. Butler stated, declared that the same military reasons that made inspection difficult before made it difficult now.

Burma-Yunnan Bridges

Mr. Craven Ellis, in a further question, asked whether the bridges along the Burma-Yunnan highway would be strengthened to carry ten tons.

Lt.-Col. A. J. Muirhead, Under-Secretary of State for India and Burma, replied that the Marquess of Zetland, Secretary of State for India and Burma, had been informed that all bridges on the Burma side of the Burma-Yunnan boundary were already able to carry loads up to the loaded weight of the lorries which, it was understood, the Chinese authorities at present proposed to use.—Reuter.

Italian-Built Ship Goes Up in Flames

Montefalcone, Dec. 20.

The passenger liner Stockholm in construction here for a Swedish shipping firm, went up in flames today—just one month before it was due to be completed and launched.

The blaze started amidships and spread swiftly. Firemen from Trieste and neighbouring cities were powerless to stop the fire, which began in a place where welding work was being carried out.

The vessel was to be a 20,500-tonner, but after today's blaze, it was decided to scrap it.—Havas.

King and Queen Leave For Sandringham

London, Dec. 22.

The King and Queen, accompanied by Queen Mary and Princess Elizabeth and Princess Margaret, left King's Cross Station this afternoon for Wolferton, on their way to Sandringham for Christmas.

The morning the princesses visited the exhibition of dolls and wardrobes presented to them by the children of France. With their governess they spent more than half an hour at the exhibition. Since it opened on December 10, there has been an average attendance each day of more than 1,700 people and practically all the members of the Royal Family have visited it. It has now been decided that the exhibition will remain open until January 7. Receipts from charges for admission will be divided between French and British children's charities.—Wireless through Reuter.

Mr. Eden Calls on Lord Halifax

London, Dec. 22.

Mr. Anthony Eden, former Foreign Secretary, called upon his successor, Lord Halifax, at the Foreign Office this morning.

Commenting upon this visit, diplomats observed that although Mr. Eden was not entrusted with any official mission on his recent trip to the United States, he went with the approval of the British Government and therefore it was natural that he should tell Lord Halifax of his impressions gathered in the U.S.

The former statesmen, it was stated by authoritative circles, was struck by the firm American attitude against totalitarian regimes. He is understood to have conveyed this belief to Lord Halifax today.

According to well-informed quarters, he also discussed the possibility of his return to the British Government but officials still insisted that his resumption of public office depends greatly upon the results of Mr. Neville Chamberlain's January conversations in Rome.

If Mr. Chamberlain can hope, after these parleys, to reach a general appeasement agreement, Mr. Eden's return may be postponed some time, it was stated here. Otherwise, he might make his return to the Government when the expected Cabinet reshuffle takes place in the beginning of February, next year.—Havas.

New Japanese Envoy to U.S. Presented

Washington, Dec. 22.

Mr. Kensuke Horinouchi, new Japanese Ambassador to the United States and former Vice-Minister for Foreign Affairs, presented his credentials to President Roosevelt today.

In his address, Mr. Horinouchi expressed his desire to work for rapprochment and better understanding between the two countries. He thanked the United States for the sympathy that they have shown for Japan "during a catastrophic time," referring to the Red Cross aid afforded Japanese refugees after the recent disastrous earthquakes.

President Roosevelt assured the envoy of his "cordial co-operation" and also asked Mr. Horinouchi to forward to Mr. Hiroshi Saito, former Japanese Ambassador here, wishes for a speedy recovery from his present illness.—Havas.

France Expels Italian Journalist

Paris, Dec. 22.

Signor Hugo Cheraldi, Paris representative of the Society of Italian Dramatic Writers and director of the Fascist paper published in Paris "Italia Nuova," has been ordered to leave the country, the "Excelsior" announced today. This measure, the paper added, follows the Italian decision to expel the French journalist, M. Emmanuel Audisi, for ten years Rome representative of the Society of French Dramatic Writers and the Society of French Dramatic Composers.—Havas.

Scandinavian Naval Agreement Signed

London, Dec. 21.

An agreement, on the lines of the London Naval Treaty of 1936, was signed at the Foreign Office this morning by Viscount Halifax, Secretary of State for Foreign Affairs, and Lord Stanhope, First Lord of the Admiralty, on behalf of Great Britain, and the Danish, Finnish, Norwegian and Swedish Ministers, on behalf of their respective countries.—Reuter.

Drugs Follow Japanese Flag

Scathing Denunciation Made in Commons of Growth of Opium Traffic in Wake of Troops

London, Dec. 23.

JAPAN'S alleged role in the spread of the drug traffic in areas under her control was placed under the spotlight in the House of Commons yesterday, when the matter was raised by Lt.-Cmdr. R. T. H. Fletcher, Labour member of the Nuneaton Division of Warwickshire, who referred to the state of affairs arising from the report of the Advisory Committee on Drugs at Geneva, reviewed the proceedings there, and asked what was the "vigorous action" which was being taken by the British Government in accordance with the resolution regarding the drug traffic passed at Geneva.

This resolution, Lt.-Cmdr. Fletcher recalled, reiterated that the situation in China was "deteriorating under Japanese influence." He referred to the situation at Hongkong, where, he said, the local government was "unable to cope with the drug traffic." Over 3,000 heroin dens, he said, were operating in Hongkong, and over 300,000 opium and heroin pills were consumed there daily. There were 40,000 opium addicts, he stated.

Lt.-Cmdr. Fletcher mentioned Russell Pasha's report, and quoted his allegations with respect to the drug traffic areas under the direct or indirect control of the Japanese. Cmdr. Fletcher charged Japan with "undoing the League's good work," and fostering the illegal drug traffic throughout the world, as an instrument of her policy, to promote the degradation of the Chinese.

If those charges were true, he declared, he would like to ask the House "how far we could call Japan a civilized nation." He had never had a very great admiration for the British slogan that "trade follows the flag," but he preferred it to the Japanese slogan that "drugs follow the flag."

He quoted reported facts and figures in a scathing attack and indictment on Japan in connection with her alleged fostering of the drug trade in the areas under her control.

Horrors of Heroin Vice

Mr. R. A. Butler, Under-Secretary for Foreign Affairs, in reply, gave the House information derived by the Government from various parts of the Far East.

One very serious feature of the growth of the traffic, he declared, was the growth of the use of heroin, "which is far more serious than the use of opium—itself a terrible, gripping vice."

After referring to the steps now being taken by the British and Japanese authorities in mutually communicating information regarding the proceedings and movements of persons known to be engaged in the illicit drug traffic, Mr. Butler said that, although it might not give an immediate solution to the grave problem, it at least meant that "we are in closer touch with the representatives of Japan, and that thus we are able to illustrate the gravity which we attach to the matter."

No Evidence of "Deliberate Plan"

Reviewing the position, Mr. Butler declared that, from information in the possession of Lord Halifax, (the Foreign Secretary), there was "no evidence that the drug traffic in China was the outcome of any deliberate plan on the part of the Japanese Government," or that it "aimed at the systematic demoralization of the Chinese people."

He thought that the diagnosis which most correctly fitted this "extremely grave position" was somewhat as follows:—

"Reports we receive from North China seem to confirm statements made at the meeting of the Opium Advisory Committee last June. In North China, prior to the Japanese occupation in 1937, an attempt was being made by the Central Government to enforce drastic opium and narcotic laws, which were promulgated in 1935. There are indications that they were to some extent being successful.

"Since the Japanese occupation of this region, these deterrents, to a large extent, have disappeared. It is as these deterrents disappear that the positions seems to us to get worse."

Peiping Dens Re-Opened

Mr. Butler went on to say that, last February, over thirty Chinese Government ordinances were repealed by the Peiping "Provisional Government," and in May it was announced that the Peiping Tax Administration had decided to allow the opening of 300 opium dens.

The "Provisional Government," Mr. Butler declared, had issued certain ordinances governing the control of the drug traffic, the effect of which it was not yet possible to estimate. His Majesty's Government would watch the effect of the new ordinances, Mr. Butler assured the House.

Mr. Butler went on to say that he was "bound to give the House information which I possess," and it appeared to His Majesty's Government that, since the formal repeal of the Chinese Government's ordinances, opium pipes and smoking accessories had begun to be offered openly for sale on stalls and in markets in Peiping. There were innumerable drug establishments in Peiping, and, up to the present time, there was "scarcely a single store where drugs cannot be bought openly, and indulged in."

Lord Halifax had no definite information beyond the published budget figures for Manchuria in 1938, but a report on the condition of the drug traffic in Manchuria had been requested from the British representative there.

The condition of the traffic in Central China, Mr. Butler went on, "did not appear to be so serious." The Nanking "Reformed Government" had recently promulgated ordinances aimed at controlling the traffic in the area under their control, but he was unable to give definite information with regard to the likely result of these ordinances.

Taken together with the information he had given regarding the growth of the traffic in heroin, Mr. Butler declared, it would be seen that there had been "distinct increases in these various parts of the Far East."

In the Government's view, there had been an increase in the traffic of drugs.

Lord Halifax had no information on the attitude of the Japanese military authorities towards the trade in heroin, which appeared chiefly to emanate from Tientsin, and was often carried on by Korean "camp followers."

The British Government, Mr. Butler concluded, "intended to continue their close examination of the matter, in company with other Governments, as preferable to individual action."—Reuter.

French Cabinet Wins Confidence Vote

Paris, Dec. 23.

Following the Government's narrow escape from defeat yesterday, when a vote of confidence was passed by the smallest majority ever recorded, M. Edouard Daladier, the Prime Minister, secured a second vote of confidence in the Chamber yesterday evening.

The voting, according to the lobby estimates, was this time 322 for, and 265 against, with 23 abstentions.

The Government asked for a vote on a clause in Article Two of the Finance Bill with regard to the margin of immunity to be allowed to workers for payment of the two per cent. levy on earnings. M. Daladier intimated that he was prepared to go as far as possible to meet all objections to the taxes, and to the two per cent. levy on incomes, provided that the total revenue was not affected.—Reuter.

Terrorism, Strikes Again in Haifa

Haifa, Dec. 23.

There were three separate terroristic outrages here today. An Arab was shot, a Jew was wounded and a bomb was thrown at a bus, but it exploded harmlessly in the street. The Arabs went on strike again in protest against the military searches and demolition of houses in neighbouring villages. The authorities informed the applicants for military permits today that these were not being issued so long as the strike continued.—Reuter.

Herr Hitler to Leave Memel Alone

London, Dec. 23.

Herr Hitler informed Mr. Chamberlain at Berchtesgaden that he was glad to leave Memelland as it was so long as the Memel Statute was observed by the Lithuanian Government. This was stated by the Prime Minister today in a House of Commons answer.—Wireless Through Reuter.

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Britain Could Also "Close Door"

London, Dec. 19.

The British Government is reported to be advancing money to China so that the Chinese can open their "back door" to British trade, while the Japanese are shutting off the "front door," states the "Daily Express."

At the same time, the paper declares, the Japanese insist upon entering the British market in the Crown Colonies by the "front door."

"The proper course for us", the "Daily Express" considers, "is not to open the back door in China for our goods to enter, but shut the front door in the colonies to Japanese goods.

"We have the right and the power to do it.

"If we shut that door, we shall soon find the Japanese willing to open the front door in China to us once more."

"Guardian" Gives View

If Japan persists in discriminating against foreign trade in China, Great Britain and the United States are prepared to retaliate, says the "Manchester Guardian" in an editorial today in referring to the significance of the American credit of the £5,000,000 (approximately G.$25,000,000) and the reported British credit to China.

The paper takes the British credit as a fact and fixes it at £450,000.

Recognizing that British and American discrimination against Japanese trade would be a "more serious and more effective weapon" than loans or credits, the "Manchester Guardian" adds:

"It is only to be expected that Japan will react strongly against these measures but it is doubtful whether she can do more than she is already doing."

As it is, continues the paper, Great Britain has assailed the Japanese press as "the real enemy" and the "power behind China" but "Since we are already condemned, it can make little difference whether we are innocent or guilty of the charges."—Reuter.

Government to Define Policy

London, Dec. 19.

The press here this morning expected the British Government to define clearly their policy of resistance against any attempts at injuring British interests in the Far East.

Most of the diplomatic editors predicted that in reply to the appeal made by General Chiang Kai-shek in his recent conference with the British Ambassador to China, the British Government will place £500,000 drawn from the funds created by virtue of the law on export credits at the disposal of the Chinese Government.

"Clearly this sum is small compared with the great needs of China," stated "The Times" this morning. "It amounts to something like a farthing per head of the population. A general fund, however, is far from the Government's mind. Regarding the £500,000 they have a specific point in view, which is the provision of lorries and other transport along the road of strategical and economic value now being completed from Central China to Burma—the new gateway to the East."

"Japan's operations in the East gravely undermine the position of Hongkong as the clearing house for the Chinese market," the "News-Chronicle" stated. "But the flow of trade like the flow of a great river takes a lot of checking. There is nearly always a way round."—Havas.

Neutrality Act May Change

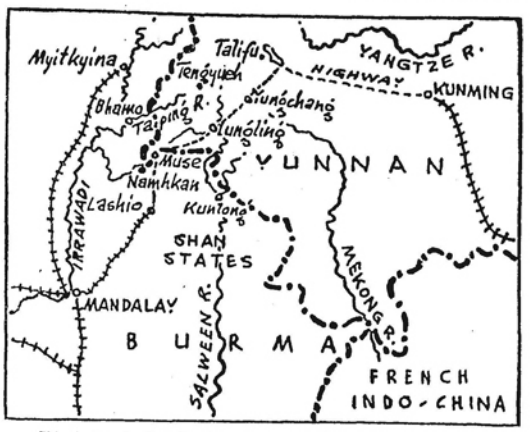
Washington, Dec. 18.

The "Washington Post" in an editorial today asserted that the granting of a U.S.$25,000,000 credit to China should assist in revision of the United States' Neutrality Act.

The paper pointed out that the procedure followed in granting the credits was "calculated to evade and nullify the ill-named, misconceived neutrality laws, which seek to prevent private individuals from doing precisely what the Government now sanctions."

Pointing out that the granting of this credit was completely inconsistent with the official neutrality policy, the paper said "when the matter comes up for discussion in Congress it should certainly assist revision of this legislation which hampers our foreign policy to such a degree that the Administration is forced to use a form of sabotage in order to safeguard essential national interests."

The editorial coincides with widespread speculation here as to possible changes in the Neutrality Act when Congress re-convenes on January 3. Well-informed quarters felt today that the Act was due to be modified, but admitted that the changed complexion of Congress and the rapidly changing world situation made exceedingly problematical the form which any such changes might take. Numerous organizations in Washington and elsewhere have announced their intention to agitate for a change in the act.—United Press.



China's "Back Door"—the new road from Burma to Kunming.

U.S. Advances to China

Extension of Monetary Accord for Silver Buying And Gold Deposit Announced in Washington

Washington, Dec. 19.

BY virtue of the Sino-American monetary accord, China can obtain U.S. dollars in giving guarantees based upon the depôts of Chinese gold kept in the United States, the Treasury Secretary, Mr. Henry J. Morgenthau, Jr., announced here today. He specified that the new agreement concluded between the U.S. and China was an extension of the July 9, 1937, accord signed by the two Powers.

In his declaration he also stressed that the Central Bank of China had already obtained, under certain conditions safeguarding the interests of both countries, some credits in U.S. dollars to facilitate a stabilization of exchange in China. Their monetary accord would continue in effect for a new period after December 31, this year. Mr. Morgenthau refused to indicate the extent of the new period and the origin of the gold upon which the U.S. dollar advances may be made.

He limited himself to declaring that the gold was at present deposited in the Federal Reserve Bank of New York.

He added, "We are advancing credits to a friendly nation."

Asked if the gold serving as guarantee had been obtained by sales of Chinese silver to the U.S., Mr. Morgenthau refused to reply directly but asserted the gold was China's and that China could use it how she wished.

"Our Door Wide Open"

The Treasury Secretary referred to Japan also as a "friendly nation" and said, "Our door is wide open," when asked whether he envisaged granting credits similar to those advanced China, to Japan.

Diplomatic quarters here voiced no surprise today over the declaration made by Japanese Foreign Minister Arita regarding the grant of U.S. export credits to China, which he termed "inopportune" and "ill-advised."

They declared that the new opening of credit facilities to China, was the best reply to the veiled threat contained in the Japanese Minister's statement.

The Open Door policy in China remains the basis of the United States' Far Eastern policies and the U.S. Government will continue to accord China all the advantages that a sovereign State can receive, these diplomats added.

At the same time, the U.S. Government will continue to defend their interests and privileges in China against any Japanese encroachments.

China still has at her disposal large quantities of silver, of which Washington remains the chief buyer. The U.S. has enough deposits of Chinese gold to serve as guarantees for any American loans or advances.

American financial quarters have apparently decided to continue their past policies with regard to China, thus favouring U.S. interests there.

It was held probable here that officials would stay silent with regard to Japan until such time as Mr. Nelson T. Johnson, U.S. Ambassador to China, returned here on a visit and gave them full information. After his personal reports are carefully studied, the Government will be able to determine their definite Far Eastern policy these diplomatic quarters concluded.—Havas.

Ex-King of Spain

Burgos, Dec. 20.

Ex-King Alfonso XIII of Spain was restored in his civil rights and all his possessions in Spain by virtue of a law published today in the "Official Gazette" here.—Havas.

Britain Not Sending Arms Via Burma

Rangoon, Dec. 21.

Categorical denial that British arms were being sent to China, through Burma, was made in a communiqué today, issued by the Government of Burma.

The communiqué declared that of the war materials, arms and ammunition, which had reached Burma for transport to China, no part had come from Great Britain. A further communiqué, issued by the Government, stated that, apart from the customary seasonal infiltration of Chinese labour, there had been no unusual immigration over the land frontier from China.—Reuter.

Indo-China Trade Said To Be Booming

Hanoi, Dec. 21.

With truck fleets serving as auxiliaries to the narrow-gauge Yunnan Railway, business from here into Yunnan and Kwangsi provinces through the "side-doors" provided by French Indo-China is booming, a survey revealed today.

Increasing numbers of British and American firms, with offices in Hongkong, are opening branches here.

With the Yunnan Railway's transportation capacity limited to roughly 10,000 tons a month, motor trucks are playing a major part in the movement of goods. Vehicles bearing Yunnan and Kwangsi number plates are a common sight here.

The movement of French and Annamites into China is also becoming brisk following the recent one-fifth reduction in Chinese visa fees. A $2 visa now permits the bearer to remain in China for two weeks. The former charge was $10.—Domei.

O.S.K. Joins S. African Marine League

Osaka, Dec. 22.

Enabling the Osaka Shosen Kaisha to engage in the shipment and discharge of cargo at various ports between Port Said and Cape Town on the east and south coasts of Africa, the firm has been admitted to the South African Coastal Marine League which controls the shipping industry in the area between Lourenco Marques and Cape Town, the headquarters of the company announced today. It is the only Japanese firm admitted.—Domei.

British View On China Pacts

London, Dec. 20.

Referring to Mr. Hachiro Arita, Japanese Foreign Minister, and the Nine Power Treaty, in the House of Commons yesterday, Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs, declared that Lord Halifax was aware of various statements made in the Press but no official communication had been received on the subject.

The attitude of the British Government, Mr. Butler continued, was that they could not subscribe to any modification of the existing treaties by unilateral action.

There was no clause in the Nine-Power Pact, Mr. Butler went on, limiting its period of validity, in answer to a question by Mr. David Adams, Labour member for the Consett Division of Durham.

He declared that it was not the Government's present intention to call the Brussels Conference together at an early date.

Use of British China Credits

It is understood here that the bulk, if not the whole, of the British credits for China will be used for the purchase of motor lorries, intended mainly for use on the Burma-Yunnan highway, states Reuters Diplomatic Correspondent. An order for these lorries, he declares, has already been placed.

Meanwhile, the closest attention is being paid in London to the situation in Tientsin, where the Japanese are controlling the movement of Chinese in and out of the foreign concessions.

The Japanese action, according to official circles here, appears to be prompted by the uneasiness of the situation created at their rear by the Chinese guerillas.

There is reason to believe, it is stated, that the attitude adopted by the Japanese "caused annoyance not only to Great Britain and France, but also to Germany and Italy."

Further Credits Expected

The newspapers generally give prominence to Great Britain's decision to extend credits to China.

Reuter understands that the preliminary amount of these credits has been definitely fixed at £500,000 sterling, to be available immediately, without waiting for the passage of the new Export Credits Bill, which cannot be drawn up before February.

This, however, is in nowise expected to be the limit of the credits to be placed at China's disposal by Great Britain.

There is no question, at present, of a loan to support China's currency, as reported in some papers, Reuter declares.

For the moment, China's favourable trade balance appears sufficient support for her currency, it is stated, but, if the necessity arises, and a slump in the Chinese dollar threatens, the possibility of China being granted straight financial help is certainly on the cards, Reuter understands.

China's determination to develop her untapped resources in the West and South West convert these regions into a flourishing state, as evidenced by the recent opening of branches of the Bank of China at Hanoi, Haiphong, Rangoon and Batavia, it is further understood.

Boycott in South Seas

These, it is stated, also indicate China's resolve to attack Japan's trade in the South Seas, where already the anti-Japanese boycott is reported to be more effective than anywhere else.

Apart from the development of motor lorry transport on the Burma-Yunnan road, the Chinese are said to be anxious to induce the Burma Government to complete the Burma railroad from Katha, the present railhead, situated 100 miles to the west of the Burma-Yunnan boundary.

Chinese circles here stress the commercial advantage for Burma in linking up with the railways of West China, which are now starting to be developed, instead of coming to a dead-end.

This project, Chinese circles emphasize, is actually quite an old scheme, though it was brought into actuality by recent events.

Hitherto, it is stated, the Burma Government has reached no decision on the matter.

Yangtze Issue Rankles

All the papers dwell on the credits to China as showing evidence of Britain's determination no longer tamely to acquiesce in Japan's encroachment of foreign rights and interests.

There is reason to believe, it is learned from official circles, that the Government is especially displeased at the continued closure of the Yangtze, and that they consider Japanese excuses to be palpably at variance with the facts.

All indications are that America is equally incensed, these circles declare.

There is no question to date, of proposing joint Anglo-American action, and the Japanese taunt that Great Britain is trying to induce America to "pull her chestnuts out of the fire" is laughingly dismissed in diplomatic quarters as a conventional attempt to drive a wedge between the two countries.

At the same time, quarters close to the Government emphasize, Britain and America are undoubtedly keeping closely in touch on all aspects of the Far Eastern situation.

Increasing anxiety, these quarters declare, is being felt by Parliament for the future of British interests in the Far East, as illustrated by the fact that no fewer than twenty questions were asked yesterday in the House of Commons—all of them on China.

The impression, however, is widely discernible that Japanese prospects in China are by no means comfortable.—Reuter.

Can Japan Retain Gains in China?

London, Dec. 20.

"Can Japan consolidate her gains in China?" is the title of an article in the "Daily Telegraph" today, contributed by Mr. Edwin Haward, former editor of the "North-China Daily News" of Shanghai.

Mr. Haward states that, starting with the intention of creating an economic bloc of North China and Manchoukuo, Japan has now to achieve complete conquest.

Anything else would be tantamount to stalemate, and virtual defeat, so that, as the struggle continues, the rights of British and other foreign traders in China are likely to be even more seriously threatened than during the past 18 months.

Back Door in Burma

China is fighting strongly with her back to the wall, Mr. Haward continues, and is desperately improvising new means of access to foreign supplies, among which the revival of the land route to Burma is significant, and deserving of the fullest support of British enterprise.

If General Chiang Kai-shek's resistance can still definitely hold up large Japanese forces, and still hold together, the roseate dreams of Japanese development companies may be dissipated, and Japan may be compelled to sing in a minor key, Mr. Haward declares.

The issue, he states, turns on the ability of the Japanese invaders to consolidate gains won in the field.

Those gains were secured with palpable disregard of the rights of third parties, and there is, consequently, no obligation for such parties to study Japanese convenience.

For example, Britain has every right to seek for her trade with China every outlet available. She can develop the Burma-Yunnan trade route, and also, as a friendly neutral, assert her capacity for affording financial assistance to China.

In so doing, she can give to Japan a proper answer—all the more proper because it is in accord with the elementary decencies of international amity which, despite everything, have not yet been entirely abandoned by the West.—Reuter.

Berlin Sees "Game of Gold Bullets"

Berlin, Dec. 20.

"The Game with Golden Bullets" is the "National Zeitung" heading to a message regarding the British Government's intention to grant to China credit loans.

All the papers display great interest in the news of Britain's granting credit to China, publishing long extracts from the London Sunday papers.

The "Frankfurter Zeitung," speculating on the outcome of the British loans, states that they will prove a most important factor in the progress of the war, whether these loans are only an isolated measure, or represent the beginning of more energetic help for China.

In any event, the paper states, Tokyo will watch the negotiations with great attention.

If the loan goes further, and "the Anglo-Saxons take over the financing of General Chiang Kai-shek, and supply him with war material, then the Japanese General Staff will find itself presented with a new situation," the journal declares.

"Supporters of the strategy of wearing down the enemy will lose ground, and to them also a battering down must take the place of undermining as the method of warfare.

"Then, the time for heavy military blows must come again, and a new advance westward into Hunan and toward Chungking must be started."—Reuter.

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FOREIGN TELEGRAMS (continued)

Musica's China Arms Deal

General Chiang Kai-shek Vetoed Purchase of Out-Moded Lee-Enfields; New Revelations

New York, Dec. 20.

WHILE the State Board of Trade summoned nine out of seventeen directors of McKesson & Robbins, Inc., to explain how Philip Musica, or F. Donald Coster, the president of the world's third largest drug firm, had duped them for ten years, authorities here today began investigation of the report that the Chinese Nationalist Government was the Foreign Power seeking to purchase 2,000,000 Lee Enfield rifles from Coster.

One of several witnesses presented before the Federal Grand Jury today for questioning in connection with the scandal of Coster's double life, revealed that McKesson & Robbins had been involved in a deal to sell 2,000,000 out-moded army rifles to the Chinese army. General Chiang Kai-shek refused to purchase the weapons.

The witness, reported to have connections in Shanghai, said he learned that the Chinese army wanted 2,000,000 rifles. He approached Mr. Ben Simon, a New York broker, who said he could obtain the rifles, but later discovered that individuals were unable to obtain licences for the export of the weapons, although a corporation could handle such a deal.

This discovery led to McKesson & Robbins being brought into the picture, the witness said. Details of what followed were not divulged, however, the witness said that sample guns were sent to General Chiang, who disapproved of the rifles, and the deal was then shelved.

War Office Statements

War Department officials said that Musica, or Coster, never purchased rifles from the United States Government for re-sale abroad.

Army records show the War Department possessed 1,925,000 Lee Enfield rifles used in the World War. Of this number 290,000 were sold to the Philippine Commonwealth and 59,500 were disposed of in other parts of the world and also domestically. The Government still possess 1,925,500 outmoded Lee Enfield rifles because various units are continuing to return this type of rifle.

Mr. Gregory F. Noonan, acting United States Attorney, disclosed methods through which Coster was able to foist records of reputed deals in the crude drug department, in which there is an alleged shortage of U.S.$18,000,000.

He said Coster printed fictitious Dun & Bradstreet reports which were partly based on audited statements submitted to the Stock Exchange in 1937.

Meanwhile, the New York State Attorney General produced testimony that Coster was an autocratic executive whose decisions were seldom questioned.

Mr. William J. Murray, first vice-president and director of the drug firm, testified that only last November another executive had attempted to obtain the necessary power to close the crude drug department.

Renown as "Expert"

Explaining the directors' apparent gullibility, Mr. Murray said that Coster was reputed to be one of the greatest experts in the world on crude drugs.

In compliance with the request of Mr. Brian McMahon, Assistant United States Attorney General General and in charge of the investigation in the activties of Coster, the police today arrested and held on the charge of "Conspiracy to violate United States law," Mr. Benjamin Simon, a high-salaried member of McKesson & Robbins whose exact duties are still to be made clear.

Mr. McMahon sought to connect Mr. Simon with the Mr. Benjamin Simon brought to trial in 1920, at the time Coster was known as Musica and was charged with subordination and perjury. He announced that by this arrest he hoped to establish a link between the various activities of Coster and ascertain Coster's exploits during the period of transition from his identity of Musica to Coster.

"Mystery" Young Man

Reports from Philadelphia said that a mysterious telegraphic tip led to the arrest of a young man identified as Mr. Richard Mittman. He was ordered to be held in lieu of his failure to post U.S.$25,000 as bail.

Detectives said they believed him to be involved with Musica's gun-running activities. Federal agents and Customs officials working on the case refused to divulge the information they obtained in questioning Mr. Mittman.

Meanwhile, the authorities revealed that the widow of Coster, who committed suicide rather than face the charges of the Federal Grand Jury, filed an application to admit her dead husband's will. She is the sole beneficiary in the will of Coster.—United Press.

Japanese Shippers Give in to U.S.

Washington, Dec. 22.

Two Japanese shipping companies competing with American lines on the Rio de la Plata-American Pacific Coast route, unexpectedly accepted today conditions for a freight accord with the "opposition" U.S. companies.

The two Nipponese firms are the Osaka Syosen Kabushiki Kaisha and the Yamashita Kisen Kabushiki Kaisha. They agreed to the terms of an agreement proposed by the "conference" of American navigation companies engaged in the same trade and on the same route as they.

A great sensation was caused today when the lawyer representing the two firms voiced their acceptance before the Maritime Commission, which was inquiring into their activities.

The Commission immediately declared its investigation closed, agreeing to revise the existent agreement between American companies to include the Japanese concerns.

90 cts. Instead of 30 cts.

According to the new accord, the latter will charge 90 cents per sack for the transport of coffee from Brazil to the United States. This is the price set by the American companies.

The Maritime Commission, it was recalled here, inquired into the Japanese lines' activities because they were said to be planning a 50 per cent. reduction in freight charges. Such action on their part would cause their American competitors to sustain losses of $25,000 per month.

The Japanese, in ageeing to an accord, abandoned their claims concerning assurances that they would have a minimum quantity of coffee to transport.

Their capitulation was therefore held complete, for the "conference" had previously agreed that the new freight rate be set at 90 cents per sack instead of $1, as set down in the 1937 accord.—Havas.

U.S. Aircraft Worker Guilty of Espionage

Los Angeles, Dec. 23.

Karl Drummond, a young aircraft worker, who was indicted on December 1 on charges of espionage, was today found guilty on the two counts of attempting to sell to "high Japanese officials," photographs of American Army and Navy planes in the course of construction; and selling to these officials documents relating to various secret features in the design of these machines.

The maximum penalty for these charges is two years imprisonment.—Reuter.

Spanish Frontier Spy Ring Discovered

Burgos, Dec. 23.

Arrests, in connection with the espionage network discovered along the frontier, number at least 50 persons in San Sebastian and in the Province of Guipuzco, it is frankly admitted here today.

It is stated, however, that no military officers are implicated. An official statement insists that no disturbances, whatever, have interrupted the absolute tranqnility of Nationalist Spain.

The arrests, it is learned, include that of a domestic employee of the British Consulate at San Sebastian. He is a Spanish subject, and was arrested outside the Consulate. It is believed that, as a result of the latest arrests, one of the major channels of the leakage of information will be blocked. Reports of an anti-France plot were denied by the Spanish Nationalist Agency in London yesterday.—Reuter.

Medical Trusts in U.S. Assailed

Washington, Dec. 20.

The first round of a nation-wide battle over the future of the practice of medicine ended in triumph for the proponents of co-operative methods today when a Federal Grand Jury found true bills of indictment against the American Medical Association, the District of Columbia Medical Society, the Washington (DC.) Academy of Surgery, the Harris County (Texas) Medical Society and 21 individuals on charges of having violated the Anti-trust laws.

The list of individuals indicted was headed by Dr. Morris Fishbein, spokesman of the ultra-conservative wing of the American Medical Association. Most of the others are high officials, either of the American Medical Association or of the officiated District of Columbia Medical Society. On the outcome of the case the fate of co-operative medicine in the United States was believed to depend.

Five Charges Listed

The indictment embraces five charges, among which were charges that the defendants combined and conspired: to prevent the Group Health Association, Incorporated, from arranging adequate medical care for its members; to restrain doctors from serving the Group Health Association in pursuit of their callings; and to restrain Washington hospitals from the business of operating such hospitals as would care for G.H.A. patients.

The indictment stated that the results of the conspiracy were, firstly, to prevent doctors from becoming and remaining members of the Group Health Association's staff; secondly, to prevent G.H.A. doctors from consulting with colleagues outside the co-operative; and thirdly, to prevent doctors from treating or operating upon patients in hospitals in or near Washington.

Prosecution "Illegal"

The indictment touches the root of the problem of providing adequate medical care for those unable to afford private treatment. In this regard the indictment states: "Experimentation with group medical practice on a risk-sharing basis, if not obstructed by coercive restraints, may contribute to a solution of the problem."

Mr. Seth Richardson, attorney for the American Medical Association, said that the Government's proceedings were on a "glaringly illegal basis." He added that the fight would be carried on "just as far as may be necessary to end and defeat this unjust, unwarranted and illegal prosecution."—United Press.

Action Unprecedented

Washington, Dec. 21.

The action is without precedent in the annals of United States medical history. The charges are based on alleged violation of the Sherman anti-Trust Act. The Association is on record as vigorously opposed to Government attempts to socialize medicine.—Reuter.

More Opium Found In C.P.R. Ship

Manila, Dec. 20.

Customs officials seized 2,400 tins of opium and morphine, valued at US$30,000, which was hidden among the cargo of the Canadian Pacific liner Empress of Russia, which sailed for Hongkong yesterday, it was revealed today.

The large narcotic cargo was unloaded prior to the sailing of the Empress of Russia The seizure of the drugs followed the discovery of eighty large tins of opium, also valued at US$30,000, onboard another Canadian Pacific liner, the Empress of Japan, at Honolulu on December 17.

The Canadian Pacific Steamship Company was fined US$15,733 by the Honolulu Customs authorities because of the discovery of the opium on board the Empress of Japan. The company faces a similar fine for the drug cargo aboard the Empress of Russia.

Careless Forgery Gives Clue

Manila Customs officials revealed today that they found the 2,400 tins of opium and morphine packed in two wooden cases carrying the forged mark of a Manila drug firm. The careless forgery of the mark caused Customs officials to start an investigation which culminated in the discovery of the narcotics.

The Customs Commissioner said the freight manifests showed that the opium and morphine had been shipped by the "Hing Fung Company" of Hongkong.—United Press.

Chinese Picket Ships

Two Vessels with Cargo of Scrap Iron Subjected to "Symbolic" Demonstration; Wide Sympathy Won

San Francisco, Dec. 20.

CHINESE picket lines, which went into action three days ago, today offered a threat which might lead to paralyzing shipping along the entire Pacific Coast of the United States. With more and more Chinese and American sympathizers flocking to the banners of the Chinese pickets, the Chinese spread their activities and today picketed a second vessel, the British steamer Beckenham. Three days ago they picketed the Greek motorship Spyros.

The picketing of the British steamer marked a renewal of demands by the Chinese and anti-Japanese groups that the Government place immediately a Federal embargo on war materials destined for Japan. With the Chinese picket lines extended to the Beckenham, the two vessels lay partially loaded with scrap iron destined for Japan. Longshoremen refused to penetrate the Chinese picket lines.

The Waterfront Employers Association entered into the picture for the first time today when it demanded that the longshoremen load all ships under their contracts. The employers denied that the cargoes of the Spyros and Beckenham were contraband and pointed out that the scrap iron would not affect the outcome of the hostilities.

The Chinese answer to this statement was a threat to picket the offices of the employers.

Appeals to White House

Longshoremen also were forced to take an active part in the controversy and they telegraphed President Roosevelt, Mr. Cordell Hull, Secretary of State; Mr. Daniel C. Roper, Secretary of Commerce and Miss Frances Perkins, Secretary of Labour, asserting that the employers were threatening a lockout "which may lead to a coastwide shutdown if the matter is not straightened out."

Mr. B. S. Fong, president of the China War Relief Association of America, telegraphed the Chinese Embassy at Washington that the picketing was likely to spread to all west coast ports.

He urged that Dr. Hu Shih, the Chinese Ambassador visit President Roosevelt and confer with Mr. Hull in an effort to seek an embargo on war materials destined for Japan.

Symbolic Demonstration

Two thousand pickets, composed of men, women and children and including Chinese, American Federation of Labour and Congress for Industrial Organization unionists, volunteered to act as human barricades and relieve other picket lines already doing duty. Some of the groups volunteering for service included members of pacifist groups and clergymen.

Late this afternoon the Chinese students and residents ceased their picketing of the two ships and marched uptown in a body. The parade dispersed upon reaching Chinatown.

Explaining their move, the spokesman for the United Chinese Societies said: "We have symbolized our protest, which we believe to be the protest of millions of American friends and sympathizers."—United Press.

U.S. Red Cross to Send Flour to Spain

Washington, Dec. 20.

The American Red Cross will send 710 tons of flour to the Spanish Republican Government for the month of January, 1939, Mr. Ernest Swift, representative of the organization, announced here today. Further shipments will follow as circumstances, funds and means of transport, permit, he added. The needs of the Republican Spanish population are between 2,000 and 7,000 tons of flour per month. Children have already shown signs of under-nourishment despite the Red Cross' efforts to help, Mr. Swift asserted.—Havas.

Mr. Eden Returns From Washington

London, Dec. 21.

Mr. Anthony Eden, former Secretary of State for Foreign Affairs, returned from the United States, in the liner Queen Mary, this morning.

Landing at Plymouth, Mr. Eden stated that his visit had not been official in any sense, and still less had it been for propaganda purposes.

"It has always seemed to me, however," he declared, "to be of first importance that the British and American peoples should understand each other's points of view.

"Contrary to what some people believe in this country, American opinion is very much interested in affairs in London, in general, and in European and Far Eastern affairs, in particular."—Reuter.

Mayor of New York Assaulted

New York, Dec. 20.

Mayor Fiorello La Guardia of New York was assailed by an unknown man on the steps of the City Hall at noon today.

An enraged crowd, gathered round, immediately pounced on the attacker and knocked him down, saving the Mayor from possible injury. Before the police could break their way through to the man, he was beaten up by the throng and had to be sent to hospital.

The attacker was later identified as one James Hagen. He appeared to be suffering from partial mental deficiency.

After the incident, Mayor La Guardia calmly granted an interview to the press. He told newspapermen that Hagen had been importuning him for the past four years, asking for eartain favours.

Only recently Mr. La Guardia received two threatening letters, signed in each case with a swastika. Both threatened him with death if he continued his anti-Nazi addresses. One of them was accompanied by a bullet.

The assault upon the Mayor today has provoked considerable feeling throughout the United States.

Following the attempt against the Mayor yesterday, two more detectives have been assigned to guard him against any further attacks.

Meanwhile, approval of yesterday's abortive act of terrorism openly voiced in today's papers in the Reich has enhanced fears already entertained in well-informed circles here that certain Nazi elements in the U.S.A. might try to carry out the threat previously conveyed to the Mayor by two letters signed with a swastika.—Havas.

New U.S. Secretary of Commerce Appointed

Washington, Dec. 24.

President Roosevelt yesterday appointed Mr. H. L. Hopkins as Secretary of Commerce in succession to Mr. Daniel Roper.

Mr. Hopkins is at present Administrator of the Works Progress Administration, which is a Federal Agency in charge of relief works.

Colonel F. C. Harrington has been appointed to succeed Mr. Hopkins in this capacity.—Reuter.

Conservatives Critical

Washington, Dec. 23.

The appointment of Mr. Hopkins was in many circles interpreted as an attempt to lift the political stigma from the Works Progress Administration, as well as to enhance the prestige of Mr. Hopkins and his assistant in the W.P.A., Mr. Aubrey Williams. Both Mr. Hopkins and Mr. Williams have been the chief targets in Congressional storms over alleged political considerations in the distribution of relief funds.

Mr. Hopkins, the 48-year-old son of an Iowa harness-maker who has spent more than U.S.$9,000,000 of public money during six years, drew scalding criticism from conservative Democrats and Republicans alike. They interpreted the appointment as a move on the part of the President to forestall a Congressional inquiry into the political activity of W.P.A. officials and also to put off stiff opposition to the new US$1,500,000,000 relief appropriation which is to be asked of the new Congress.

However, it was indicated in reliable quarters that Mr. Hopkin's appointment had been made with the approval of the Vice President, Mr. John N. Garner, for which reason despite the heated debates over the matter, the appointment would probably be approved by the Senate. The appointments of Col. Harrington and Mr. Williams do not require Senatorial confirmation.—United Press.

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U.S. Flatly Refuses Apology

German Demarche on "Ickes Incident" Brings Sharp Rebuke ; Senator Pittman Enters Foray

Washington, Dec. 23

STRONG, uncompromising stand, in which Germany's right to protest against expressions of public opinion in America is flatly rejected, is being taken by the United States with regard to Germany's demand for an official apology for the speech made by Mr. Harold L. Ickes, the Secretary of the Interior, on December 18. Mr. Ickes, in his speech, denounced Fascism as a "more cruel, if a more refined, voodooism," and an ever-present threat to the United States, England and France.

Mr. Sumner Welles, Under-Secretary of State, disclosed yesterday that the United States had rejected Germany's demand for an official apology. A statement made by Mr. Welles to the German Charge d'Affaires in the United States, (Dr. Thomsen), was couched in strong and uncompromising terms, which the United States rarely uses in diplomatic discussions with a friendly Government. The incident has greatly strained present difficult German-American relations.

Mr. Welles, it is learned, told the German Charge d'Affaires that Germany's request came with "singular ill grace and impropriety from a Government which has so persistently permitted its controlled press, and officials, to attack American leaders, including President Wilson and President Roosevelt, and present members of the Cabinet."

He advised Dr. Thomsen that Mr. Ickes' remarks "represented the feeling of an overwhelming majority of the American people," and said that the recent policy in Germany had shocked and confounded public opinion in the United States "more profoundly than anything that has occurred in many decades."

German Attacks Must Stop

Mr. Welles warned Dr. Thomsen that expressions of public indignation, such as that of Mr. Ickes, were inevitable, and that Mr. Ickes' criticism of Mr. Henry Ford, and Colonel Charles Lindbergh, were "purely a domestic question, in which Germany could have no concern whatever, and which I cannot discuss." As long as German attacks on American officials continued, Mr. Welles went on, the German Government had no right to suppose that attacks of the same character would not continue in the United States.

Mr. Welles concluded by expressing his personal belief that public recriminations by any country against another did not contravene good relations between the peoples of the world.

Mr. Pittman Enters Arena

Senator Key Pittman, Chairman of the Foreign Relations Committee, yesterday issued a Four-Point Statement as follows :—

1. The people of the United States do not like the Government of Japan.
2. The people of the United States do not like the Government of Germany.
3. The people of the United States, in my opinion, are against any form of dictatorial Government, Communist or Fascist.
4. The people of the United States have the right, and power, to enforce morality and justice in accordance with the Peace Treaties, and they will do so. The Government does not have to use military force, and will not do so unless necessary.

At a press conference held afterwards, Senator Pittman said that the statement represented his own personal views, and was offered as a "beneficial statement of facts."

Washington Thoroughly Irked

Well-informed circles here consider that the "Ickes Incident," merely as "one of a series of recent events exemplifying a stiffening of American policy against the anti-Comintern powers." Other such events, they state, are the American credits to China, and the supplies of food which are being sent to Spain.

It is recognized that, if all members of the Administration expressed themselves as freely as Mr. Ickes habitually does, the Government would be embarrassed. Mr. Ickes, however, it is stated, has a special position as a "whipping boy" for the Administration, often saying aloud what other eminent persons reserve for persons in their own intimate circle. Hence, officials here point out, the Administration cannot be "over apologetic to the Reich without hypocrisy."

Moreover, they state, members of the State Department are thoroughly irked by what they regard as an attempted "sabotage of the Lima conference by totalitarian emissaries," and are not in the mood to conciliate those who are believed to be guilty of provocation elsewhere. —Reuter.

U.S. Press Comments

New York, Dec. 22.

The press here this morning stressed the serious tension in relations between the United States and Germany.

"The strain has never been as tense since the Great War," the "New York Herald Tribune" stated.

"Our first care has always been for our own problems, but this has never prevented us from saying what we think when any Government in the world commits acts of barbarism and brutality," the "New York Times" declared. "This does not mean that we shall not continue to hope with confidence that one day we shall see a great people in the heart of Europe find once again their senses and their freedom."—Havas.

German Protest Over Mr. Ickes' Speech

Berlin, Dec. 22.

A protest against the "insulting words worthy of a scurvy fellow delivered by the American Secretary of the Interior, Mr. Harold L. Ickes in his speech in Cleveland," was lodged in Washington today by the German Chargé d'Affaires, it was officially announced here today —Havas.

One of Minor U.S.-Reich Quarrels Liquidated

Washington, Dec. 21.

Eliminating one of the lesser points of friction between Germany and the United States, the German Chargé d'Affaires has notified Mr. Sumner Welles, Under-Secretary of State, that all inheritance credits due to America on the estates of persons deceased in Germany hereafter will be transferred to beneficiaries in full.

The call paid by the German Chargé d'Affaires upon Mr. Sumner Welles was the first American-German direct diplomatic contact here since Herr Hans Dieckhoff, the German Ambassador, left for Berlin in November.

It is regarded as a first German move to clarify some of the problems disturbing German-American relations.

Diplomatic circles believe that the resumption of normal relations cannot be expected unless Germany soon gives a satisfactory reply to both of the recent United States notes, which:—

Firstly, seek satisfaction on the Austrian debt question; and secondly, require assurances that there will be no discrimination against Americans in Germany on account of race or creed.—Reuter.

Kaunas to Fulfill German Wishes

Kaunas, Dec. 24.

Dr. Mironas, Lithuanian Prime Minister, told the Lithuanian Parliament yesterday that the Government was taking account of Germany's interest in Memel and was fulfilling the German wishes.

If necessary, said Mr. Mironas, Lithuania would send a Cabinet Minister to Berlin. The Prime Minister suggested that a German-Lithuanian Committee of jurists might find a method of bringing a satisfactory solution to the differences regarding the Memel statute.

Lithuania's aim, he continued, is to maintain her independence together with Latvia and Estonia. Lithuania, added the Prime Minister, is prepared to negotiate directly with autonomous authorities in Memel.

Dr. Mironas welcomed the new trade treaty with Poland and emphasized its significance for the port of Memel and announced that new railways would be built in the near future to shorten the distance between the new hinterland and Memel.—Reuter.

U.S. and Venezuela to Have Embassies

Washington, Dec. 23.

The State Department announced today that the United States and Venezuela had decided to promote their respective Legations to the rank of Embassies.—Havas.

New German Press Attack on U.S.

Berlin, Dec. 22.

The statement made by Mr. Sumner Welles, U.S. Under-Secretary of State, in response to the German protest and demand for an apology for the statements of the Secretary of the Interior, Mr. Harold L. Ickes, in his recent speech in Cleveland, apparently fell on deaf ears in Berlin tonight.

Officials were all absent from the Foreign Office when the reports of Mr. Welles' statement came through. They were celebrating a pre-Christmas "Comradeship Evening" at one of the leading ball-rooms in the West End.

Officials of the Propaganda Ministry questioned tonight claimed to be without knowledge of Mr. Welles' statement, adding, "At any rate the matter is hardly of such importance that something should be done tonight." Foreign diplomats, however, when apprised of the contents of the statement expressed the opinion that it would unquestionably cause deterioration in German-American relations which have been growing more frigid for some time. An open break was not expected.

The Nazi Party organ, the "Voelkischer Beobachter," "referred to the danger of an outright break in diplomatic relations. While there was no official comment in the controlled German press, it was emphasized that "a grave strain" would be placed on German-American relations when Nazi anger had been fully stirred by the American State Department's assertion that Mr. Ickes' remarks represented the feelings of the great majority of the American people.

"Kind of State of War"

The "Voelkischer Beobachter," referring to Mr. Ickes, said, "He seems earnestly to believe that a system is not detestable under which United States Ministers seek to provoke a kind of state of war between Germany and the United States and urge the breaking off of relations precisely at the moment when systems of clarification appear on the norizon.

This is especially the reason why the irresponsible activities of Ickes and his consorts is reprehensible. It is hoped that the United States will not fall victims to these pirates of public opinion, but will make an effort to understand European problems instead of listening to the vicious instigations of war mongers."

The "Beobachter" further said that "we prefer to assume that Washington wanted to spread the oil of oblivion over the choleric, phili-Semitic Ickes."

The press described Mr. Ickes' Cleveland speech as "so insulting to the leadership of Germany that Washington cannot be left in doubt about the detrimental effects these impertinent remarks of a Cabinet Minister will have in Berlin." The papers asserted that it was "cnildish" to say Mr. Ickes could make such speeches without official sanction.

The "Boersen Zeitung" described Mr. Ickes, remarks as further evidence that "the political and financial quarters now in power dance to the tune of international Jewry."—United Press.

"This Stupid Company"

Berlin, Dec. 23.

Referring to reports of Mr. Ickes' remarks to pressmen following news of Mr. Welles' statement on the German demarche, the "Berliner Lokal Anzeiger" comments:—

"It would be easy to leave this stupid company to their absurdities if the whole matter were not intended as an attempt to set public opinion against Germany. We are well aware that many grotesque things happen in the United States but this doltish escapade exceeds that lack of taste which has become characteristic of certain circles over there. After all such lampooning of German practices, it should be borne in mind, occurred in the rooms of a member of the United States Government who, to be sure, is as fatuous as are heaps of things in 'God's own country.' And this Minister did not deem it necessary to maintain a distance between himself, i.e. his government and his henchmen, but merely had recourse to mockery. A new Ickes! We have of late had repeated occasions to draw attention to this man who sheds lustre on the White House by seeking with all means at his disposal to create differences between Germany and the United States. We had hoped that there would be at least some one in North America who would call him to order by a restraining tap on his shoulder. This scene and many others prove, however, that this hope was misplaced. It would appear that this colleague of the President has full permission to please himself and the Jews by following up his challenges with acts of provocation."—Trans-Ocean.

Foreign Office Silent

Berlin, Dec. 23.

Official quarters here decline to comment on the refusal of the United States to apologise for the remarks against Fascism, made recently by Mr. Harold L. Ickes, the American Secretary of the Interior.

Reuter understands, however, that the American refusal is taken very seriously at the Foreign Office, where it forms the subject of careful deliberation.

Political quarters describe the development as an act "wantonly seeking conflict with Germany."—Reuter.

Reich May Break with U.S.

Possibility of Diplomatic Rupture Over "Ickes Incident" Rouses Speculation in Washington

Washington, Dec. 24.

DIPLOMATIC circles here are openly speculating on the possibility of a rupture of relations between the United States and Germany. The speech made on the "primitive culture of the Nazis" by Mr. Harold L. Ickes, Secretary of the Interior, and the strongly worded rejection of Germany's protest on the subject, has created a tense situation. Officials of the State Department describe as premature the discussion of a rupture, but Government quarters make no effort to minimize the position.

Hopes are voiced privately that Germany will heed the statement made by Mr. Sumner Welles, Acting-Secretary of State, in reply to Germany's demand for an apology on account of Mr. Ickes' speech. Mr. Welles' reply is considered to be couched in the plainest language used by the State Department in twenty years.

It is generally believed that President Roosevelt knew of Mr. Welles' intention to speak plainly, but, according to information from the State Department, the United States will not go further unless forced.—Reuter.

Wilhelmstrasse Dissatisfied

Berlin, Dec. 24.

"We stand entirely by our viewpoint," Reuter was informed yesterday by well-informed political circles here, regarding America's rejection of Germany's demand for an apology on the speech made by Mr. Harold L. Ickes, Secretary of the Interior, on December 18.

Although there appears to be no question of a diplomatic rupture, they said, the Foreign Office would not be satisfied unless a formal explanation from the White House is forthcoming. The matter, well-informed circles declared, needs a very close study and it was suggested that an official statement on the matter will be issued.

Newspapers, meanwhile, have not printed the news of the German protest nor of the American reply. The local issue of the "Anzeiger" was only paper to offer a criticism on the subject.—Reuter.

"Anzeiger" Attacks Again

Berlin, Dec. 23.

The "Lokal Anzeiger" repeated attacks today against recent declarations made by Senator Key Pittman, President of the U.S. Senate Foreign Relations Committee, and Mr. Harold Ickes. The paper said both those men and Mr. William Dodd, former U.S. Ambassador to Germany, were members of the Civil Liberty Union. It stated that they were in fact the agents of Communism and that they had launched an unbelievable campaign to influence public opinion. Their aim is to provoke a rupture of diplomatic relations between the United States and the countries indicated by Mr. Pittman in his recent declarations."—Havas.

Washington Unmoved

Washington, Dec. 23.

An important member of the Administration today indicated that the United States would maintain its strong, positive attitude towards Germany, regardless of the possibility of the severance of diplomatic relations.—United Press.

Fuehrer to Answer Mr. Welles

Berline, Dec. 23.

It was understood in high quarters today that the Reichs Chancellor, Herr Adolf Hitler, had decided to answer personally the United States' official rejection of the German protest over the remarks made recently in Cleveland by the Secretary of the Interior, Mr. Harold L. Ickes. —United Press.

British Policy Stiffened

London, Dec. 23.

Diplomatic observers here today indicated that America's sharp rejection of the German protest over Mr. Harold L. Ickes' speech would be likely to result in a further stiffening of the British Government's foreign policy.—United Press.

British War Office Denies German Reports

London, Dec. 24.

The War Office yesterday emphatically denied the slanderous allegations against the conduct of British troops in Palestine, which appeared in the German press. The allegations included atrocities such as: "British troops gouging out the eyes of their prisoners and burning their prisoners alive." It was emphasized that there was no truth in these reports.—Reuter.

British Also Attacked In German Press

Berlin, Dec. 24.

Newspapers here continue to show a marked absence of goodwill towards Anglo-Saxon countries.

Palestine news consists solely of an appeal to the world by the Arab Committee, with nothing from the British side.

"The gruesomeness of the British is absolutely incredible," writes the "National Zeitung," which is connected with Field Marshal Hermann Goering. The "Berliner Lokalanzeiger" describes the British campaign in Palestine as "simply barbaric," and adds that the "terror regime is only sparingly reported in British papers," while "Freedom of the press is thrown overboard when it suits England."—Reuter.

Karl Drummond Gets Two Years

Los Angeles, Dec. 24.

Karl Drummond, a young aircraft worker, who was found guilty yesterday on two counts of espionage, has been sentenced to two year's imprisonment.

On December 1, Karl Drummond was indicted and charged with attempting to sell to "high Japanese officials," photographs of American Army and Navy 'planes in the course of construction. He was also charged with selling to these officials documents relating to various secret features in the design of these machines. —Reuter.

U.S. Stabilization Fund Extended

New York, Dec. 24.

Mr. Henry Morganthau, Secretary of the Treasury stated yesterday that he would recommend to the Treasury Department an extension of the Treasury's authority to operate the stabilization fund beyond the present date of expiry, namely, June 30, 1939. —Reuter.

U. S. Atlantic Squadron Made Permanent

Washington, Dec. 24.

The Navy Department announced yesterday that the recently created Atlantic Squadron will be "on a permanent basis until changed."

The Atlantic Squadron was formed during the Czechoslovak crisis.

Its enlargement from fourteen to about sixty warships was announced last October. The Squadron includes four battleships and operates under Rear-Admiral Johnson as Commander-in-Chief.—Reuter.

Canada Sends Codfish To Spain

Ottawa, Dec. 24.

Mr. MacKenzie-King, Canadian Prime Minister, announced yesterday that the Canadian Government had despatched $10,000 worth of codfish to the International Commission for the Assistance of Child Refugees in Spain.

The fish will be distributed to both sides.—Reuter.

Sir Miles and Lady Lampson Escape Death

Cairo, Dec. 24.

Sir Miles Lampson, British Ambassador to Egypt, and Lady Lampson were involved in an alarming accident yesterday when they were returning to Cairo from a shooting trip at Lake Ekiad.

Their plane buckled its undercarriage as it was taking off, but nobody was injured.—Reuter.

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FOREIGN TELEGRAMS (continued)

British Empire's Example

Co-operation of Diverse Peoples Teaches Way to Peace ; Foreign Immigration Urged

SPECIAL TO THE "N.C.D.N."

London, Dec. 22.

THE "priceless lesson" of co-operation among many different races and types, who otherwise would "clash as easily and frequently as those of any other collection of peoples," was stressed by Mr. Malcolm MacDonald, the Colonial Secretary, in an Empire exchange broadcast talk, "The British Industries Fair, 1939", given yesterday. The talk will be repeated tomorrow. Mr. MacDonald mentioned the "healthy co-operation among the members of the British Commonwealth of nations."

"There is one thing that distinguishes the peoples of the Empire particularly from the peoples of the world in general," he declared. "In the whole span of human history, there has never been so much talk of strife and warfare. There have been moments, this very year, when, owing to conflicting interests between one people and another, we all stared calamity in the face. We may stare that calamity in the face again, unless the peoples of the world can learn to co-operate together. That is where the British Empire has such a priceless lesson to teach.

"Its manifold, teeming peoples are as diverse as any on the earth. Left to themselves, their interests, too, would clash as easily and as frequently as those of any other collection of peoples. But they have certain things in common—their citizenship in the British Commonwealth of Nations, and their loyalty to the Crown. These attributes they share have brought them together, and given them a sense of comradeship. They have taught them to co-operate together, until co-operation amongst them is becoming a habit which it would be hard to break."

Lessons of B.I.F.

The British Industries Fair, said Mr. MacDonald, was one of their co-operative efforts. The Fair provided an unique opportunity for advertising among traders the world over, covering the whole range of the Empire's industrial output.

Mr. MacDonald mentioned that almost half of the United Kingdom's £522,000,000 worth of exports were sold to countries in the Empire. Of the United Kingdom's £1,029,000,000 worth of imports, 39 per cent., were bought by Empire countries.

They persevered in their efforts to remove the barriers of international trade in general, and their own export trade in particular, by negotiating agreements both with Empire and foreign countries, Mr. MacDonald went on.

Another notable victory regarding sound relationships between nations, Mr. MacDonald concluded, was the Anglo-American Trade Agreement, which would also stimulate world trade as a whole.

Need for Higher Birth-Rate

That the needs of the British Empire might necessitate measures being taken to raise the birth-rate was the opinion expressed by Mr. MacDonald in an important statement on the settlement policy of the British Empire, made in the House of Commons yesterday.

"I am inclined to think," Mr. MacDonald declared, "that we must devise a policy of raising the birth-rate, but if we are contemplating ultimately settling millions in the Dominions, there must be foreign immigration.

"This does not alarm me, provided that it is not too large."

The statement was made in reply to a private member's motion, moved by Mr. John Crowder, Conservative member for the Finchley Division of Middlesex, and adopted by the House.

Dominions Aid Sought

Mr. Crowder urged:—"That the early resumption of the movement of the population within the Empire is most desirable"; and "That the Government take every suitable opportunity of considering, in concert with the Dominions Governments, arrangements for promoting and encouraging the settlement in the Dominions of people from the United Kingdom, and indicate their readiness to co-operate fully in the approved schemes."

Mr. MacDonald said that the Government subscribed to the terms of the resolution, and he hoped that the House would accept it.

He continued by stating that the development of the Dominions was of absolutely supreme importance. There were certain broad principles upon which members from every part of the House were agreed. One was that they should do everything in their power to develop the Dominions, in co-operation with the Dominions themselves.

Support for Democratic Ideals

Increasing the population and prosperity of the Dominions was the best way of augmenting the strength of Great Britain herself, and of reinforcing, especially, moral influence on behalf of her political beliefs of democracy and peace.

"We are looking forward, as an ultimate objective, to the day when millions of additional people can get a livelihood in the Dominions," Mr. MacDonald declared.

None of the Dominions, he said, could support extra millions simply by the expansion of agriculture and land settlement. There must be a steady development of secondary manufacturing industries, Mr. MacDonald declared.—Reuter.

Singapore Base Strengthened

Singapore, Dec. 19.

Important strategic additions to Great Britain's Far Eastern defence pattern are planned for Malaya by the Royal Air Force, Reuter understands on reliable authority.

This is in conformity with the known plan of protecting the fortress of Singapore from "back door" attacks, from the north or east.

The new preparations, Reuter understands, not only exist on paper, but are already nearing completion.

Although details cannot be divulged, it can be stated that, in the near future, air units will be stationed permanently on the Malay Peninsula, and at other places where they can most effectively "close the back door," and, at the same time, occupy a comparatively secure position.

As part of the Empire's new creed of "Re-arm for Peace," Reuter understands, Singapore's defences are thus taking another jump ahead of possible attackers, and strategists, it is stated, will be impressed by the increasing strength of Singapore as a defensive base.

Work is also reported to be proceeding on the two new military landing fields on Singapore Island.

The field at Tengah, on the western side of the Island, is practically ready for occupation by an R.A.F. squadron, and good progress is being made with the Sembawang landing field, not far from the air base at Seletar.—Reuter.

British Sea-Plane Hits Telephone Wire

Bombay, Dec. 24.

Two members of the crew of a sea-plane from the British cruiser Manchester were killed and one member was injured when the plane struck telephone wires while alighting near Cochin harbour, and crashed in the shallow water.

The injured man is Lieutenant Griffith, the pilot, who is believed to have escaped death by jumping from the plane into the water. He was not seriously hurt.—Reuter.

Poland Protests Against Czech Activities

Prague, Dec. 23.

Poland protested today against the activities of Czech militiamen near the Czecho-Polish borders in Silesia, Dr. Casimir Papee, Warsaw's Minister here, handing an official Note to Dr. Frantisek Chvalkovsky, Czech Foreign Minister. In this Note, Warsaw also protested against the attitude adopted by the Czech Press towards Poland and against the stand taken by radio stations near the frontier.—Havas.

World Naval Race Well on Way

London, Dec. 19.

An imposing list of British warships now under construction is given in the new edition of "Jane's Fighting Ships," which has just been issued. They include five battleships, five aircraft carriers, eighteen cruisers, 32 destroyers, and fifteen submarines.

No official information is available regarding the battleships, H.M.S. Lion and Temeraire, which were expected to be laid down about March, 1939. It is believed, however, that the new battleships will be armed with 16-inch guns.

The five battleships now under construction are unofficially stated to be armed with ten 14-inch guns each. It is officially reported that their design will include much improved defences against air attacks.

France's building programme, according to the famous "naval directory," includes four battleships, each mounting eight 15-inch guns, two aircraft carriers, three cruisers, 32 destroyers, four torpedo boats, and 24 submarines.

Germany's, Russia's Fleets

"Jane's" gives Germany's new capital construction as three battleships, each mounting eight 15-inch guns, and it is believed that a fourth is projected.

Italy is stated to be building four battleships, twelve cruisers, ten destroyers, ten torpedo boats, and at least thirty submarines.

With regard to Japan, it is stated that four battleships are projected, two of which are reported to have been laid down in 1938.

They are believed to displace 40,000 tons each, and to be armed with eight or nine 16-inch guns.

It is stated that "independent evidence goes far to support Japanese reports that the Soviet fleet, based on Vladivostok, includes 70 submarines, and fifty motor torpedo boats."

The book states that three Soviet battleships, each displacing 35,000 tons, are projected, and that they will be armed with nine 16-inch guns each.—Reuter.

Japan Leads in Battleships

London, Dec. 18.

Germany, Japan and Soviet Russia are today engaged in a secret battleship building race of unprecedented proportions, the 1939 issue of "Jane's Fighting Ships of the World" revealed today.

The journal declared that the Japanese were leading in this race, with four projected "super" battleships exceeding 40,000 tons, two of which were reported as having been laid down during 1938.

The handbook stated that all nations throughout the world were participating in the biggest naval race since 1919, with at least 25 battleships under construction or authorized. Soviet Russia, according to the journal, claims the most formidable submarine fleet in the world, of which more than half were stationed at Vladivostok, within easy striking distance of Japanese waters.

It asserted that the United States' naval building programme was slowly proceeding in the heavier categories but that good progress had been made with the new 10,000 ton light cruisers, all of which had been completed.

It was also disclosed that the Spanish Nationalists' navy had received four destroyers and two submarines from Italy.—United Press.

British Navy Strongest Force for Peace

SPECIAL TO THE "N.C.D.N."

London, Dec. 22.

The belief that the British Navy is the "strongest force for peace in the world" was expressed by Sir Holberry Mensforth, Director of the famous Clydebank shipping firm of John Brown, speaking after the launching of the new British destroyer, H.M.S. Javelin, from Brown's yard yesterday.

"There is no menace in the launching of warships by Great Britain," declared Sir Holberry. "The stronger we make ourselves, the more assurance there is for the peace of the rest of the world." As insurance for peace, he went on, the building of warships was completely justified. Though it was frequently said that the country was degenerate, "a walk through any shipyard would give the lie to that."—Reuter.

A comparison of the quantity of electricity produced in the countries in which electrification is most highly developed reveals that Switzerland heads the list with 1643 kilowatt-hours per year and per inhabitant and 167,000 kilowatt-hours per km. 2 of territory.

Italy Denounces 1935 Pact

Alleged "New Situation" Claimed by Fascist Government Not Recognized by French Leaders

Paris, Dec. 23.

M. GEORGES Bonnet, the French Foreign Minister, received the British Ambassador, Sir Eric Phipps, yesterday evening. It is understood that he discussed Italy's official notification to France that she no longer considers the 1935 agreements valid. The French view is believed to be that it is now for Italy to take the next step, "since France considers that the agreements liquidated differences between the two countries."

The reason for Italy's rejection of the Franco-Italian Treaties of 1935, as stated by Count Ciano, the Italian Foreign Minister, is that the Treaties did not correspond with the present situation. Ratifications of the Treaties, Count Ciano is understood to have declared, were never exchanged, and the Treaties, therefore, have never become operative.

Political circles here, however, consider that France has shown herself faithful to the spirit and the letter of the Treaties, and has made appreciable concessions with a view to restoring Franco-Italian friendship. Reuter.

Rome Seeks Britain's Aid

Rome, Dec. 23.

It is understood that the Italian Government's view that the Franco-Italian Agreement of 1935 is no longer valid has been confirmed to the French Government in writing.

It is suggested that the Italian object behind this move is to induce France to produce fresh proposals for fulfilling a clause in the London Treaty of 1915, whereby Italy was to receive colonial compensation for her part in the Great War.

The Agreement of 1935 dealt principally with the status of the Italians in Tunis, the French cession of the Tibesti region of the Sahara, the cession of the Red Sea Island of Doumeira, with a strip of the neighbouring coast, and of a number of shares in the Djibouti railway. The ceded territories, it is learned, are already marked on Italian maps as Italian, although the frontiers have not, hitherto, been demarcated.

The Italians generally, it is gathered, hope that Great Britain will use her good offices to prevent France from rejecting the Italian view out of hand, without giving it the consideration necessary if Franco-Italian relations are to be smoothed out, and peace is to be consolidated in the Mediterranean, and in the Red Sea. —Reuter.

Mr. Chamberlain to Be Firm

London, Dec. 23.

During his visit to Rome next month, the Prime Minister, Mr. Neville Chamberlain, will warn Signor Benito Mussolini that France cannot at present agree to any concessions to Italy unless Rome makes "a friendly gesture towards France," it was stated in authoritative quarters here today. Such a gesture was held improbable in view of present circumstances, however.

Informed circles asserted that Mr. Chamberlain wanted better Franco-Italian relations when he visited Rome, and they added that it will now be difficult for him to find a basis for rapprochement between the two countries.—Havas.

French Views Unchanged

Paris, Dec. 22.

Italy's official denunciation of the 1935 accord with France will not serve to modify France's attitude towards latest Italian "claims" upon Tunisia and Corsica, diplomats here stressed today.

Politicians observed that the 1935 accord granted Italy territorial concessions greater than those foreseen when the 1915 and 1917 accords were signed, while Italy's conquest of Ethiopia deprived France of advantages not denounced in the 1935 agreement. Hence, no settlement of general relations could be justified unless it was reached in accordance with provisions set out in the 1935 pact.—Havas.

Response In French Press

Paris, Dec. 23.

Repudiation of the Franco-Italian agreement of 1935 by Italy found a grim response in the French press today.

The step was regarded as the first move in what might prove to be a new crisis, and as designed to ensure that the Italian claims would be the main subject of Mr. Neville Chamberlain's conversations in Rome in January, any idea of which it had been the newspapers' concern to refute throughout the week.—Reuter.

Appendicitis operations have been performed for years and have saved innumerable lives. 1938 is a jubilee year for this branch of surgery. In 1888, fifty years ago, a Swiss doctor, Dr. Charles Krafft of Lausanne, published his "Essay on the necessity of surgical treatment of appendicular perityphlitis."

S. Africa Against Ceding Mandates

London, Dec. 20.

Mr. Malcolm MacDonald, Secretary of State for the Dominions, in answer to a question asked in the House of Commons today, stated that when Mr. Oswald Pirow was in London a fortnight ago, he gave to a number of Ministers here an account of the impressions he had gathered during his journey through Europe and that these were discussed with him.

Beyond certain talks on questions of trade and communications his conversations with members of the Government of the various countries he visited were informal and personal and Mr. MacDonald said he had no statement to make upon them.

Commander Fletcher, Labour Member for Nuneaton, Warwickshire, in a supplementary question asked: "May I ask whether in the course of these conversations with His Majesty's Government any discrepancy was discovered between the views of the United Kingdom Government and the Union Government regarding the cession of mandated territories to Germany?"

No Attack of British Trade

Mr. Macdonald replied: "Obviously I cannot report on the nature of private and personal conversations but there is an answer on the attitude of the Dominion Governments to the cession of territories."

Commander Fletcher then asked: "Was anything detrimental to British trading interests revealed as a result of the conversations between Mr. Pirow and members of foreign governments?"

Mr. MacDonald: "Not that I am aware of."

Pessimism Over Peace

Mr. Arthur Henderson, Labour member for Kingswinford, Staffordshire, then asked if the House could take it that the United Kingdom Government did not share the pessimistic outlook of Mr. Pirow regarding the possibility of war in spring.

Mr. MacDonald: "The attitude of His Majesty's Government has been very faithfully stated by the Prime Minister and other ministers."

On the cession of territories, Mr. MacDonald said that recent statements in the House had related to questions of the transfer of territories under the administration of His Majesty's Government in the United Kingdom. Consultation with the Dominions Governments had not, therefore, been necessary.

The general views of the Dominions Governments on the question of the future of Mandated Territories under their administration were well known.

Mr. Geoffrey Mander, Opposition Liberal for Wolverhampton then asked if he might take it that the views of the Dominion Governments were the same as those of the United Kingdom Government regarding the cession of Mandated Territories.

Mr. MacDonald: "I have no reason to suppose that they differ in any way.

Naval Defence of Union

Mr. MacDonald was then asked whether the opportunity was taken of Mr. Pirow's visit to consider the adequacy of the arrangements for the naval defence of South Africa in time of war.

He replied that the object of Mr. Pirow's visit was to discuss certain technical aspects of the defence of South Africa, including naval defence.

Questions were settled as a result of the discussions but as to details he could not anticipate the statement that Mr. Pirow might make after his return to South Africa, since that was a matter for the Government of the Unions.

In a further reply, Mr. MacDonald said the Union Minister of Defence had recently announced very considerable expenditure regarding defence in South Africa and a good deal of the money involved was in relation to naval defence.—Wireless through Reuter.

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French Minority in Italy

Aosta Valley Inhabitants Avow Solidarity; Paris and London Stand Firm Against Duce

Paris, Dec. 23.

INHABITANTS of the Aosta Valley in north Italy (inhabited by some 100,000 people) passed a resolution today stressing their solidarity with France in the present tense Franco-Italian situation. Though they refrained from explicitly claiming annexation by France, these people emphasized that their valley remained "an outpost of French culture despite Fascist colonization." Aosta Valley is at the foot of Mont Blanc near the French and Swiss borders. All legal texts there were until recently drafted in the French language and education was given in both French and Italian. Recently Signor Benito Mussolini forbade official use of the French language in the valley, although the inhabitants still carry French names.

The resolution passed today voices strong protest against the anti-French campaign now pursued in Italy and stresses Aosta Valley's determination to combat Fascist Italian colonization. It expresses the people's desire to promote closer relations "with the remainder of the French people" and voices the will to obtain the restoration of French education, for French "is the mother language of Aosta's inhabitants."

The "Inner Cabinet" of France is meeting today to discuss the situation arising out of Italy's denunciation of the 1935 Laval-Mussolini accords.

France has already proved her sincere desire for good understanding with Italy, authoritative quarters observed. Indications of this will lie in the conclusion of the 1935 agreement, French recognition of the Italian Empire in Ethiopia, the despatch of an Ambassador to Italy, and the offer to open negotiations early this year.

The French Government are nevertheless determined to defend the integrity of the French Empire and will never cede an inch of French territory. The Foreign Minister, M. Georges Bonnet, has emphasized this determination in declarations to the Chamber of Deputies.

France Could Retaliate

These influential and well-informed quarters also stated that while Italy is arguing changed circumstances as reasons for denouncing the 1935 accords, France might use the same arguments to denounce the principles of the Tunisian Capitulations Convention of 1896 in favour of Italian settlers in Tunisia. France could thereby unilaterally restore full French sovereignty over Italian settlers in that protectorate.

The 1935 agreement repudiated by Italy, politicians observed, settled many problems in its time. It established the status of Italians in Tunisia and replaced the 1896 Convention denounced by France in 1919. It also provided for the cession to Italy of Doumeirah Isle in the Red Sea in exchange for a cession of special privileges in Tunisia as from 1945 and 1955. The 1935 accords further granted frontier adjustments in the Somali region and alotted over 2,500 shares in the Djibuti-Addis Ababa Railway to Italy.

If the Italian Government thought the 1935 agreement invalid because it was no longer up-to-date, the French Government might just as well repudiate the principles of the 1896 Convention as not adapted to modern conceptions of right. Paris could then unilaterally establish the status of Italians in Tunisia.

Duce's Pledge Recalled

The Italian Press has invoked the London Pact of 1915 as another reason for denouncing the Laval-Mussolini agreement, the same political quarters remarked. By this pact Britain and France promised frontier revisions in favour of Italy if they themselves gained colonial lands from the Reich.

Answering this argument, French politicians observed that in 1919, a strip of territory between the Ghat and Ghadames Oases was ceded to Italy, who obtained further border revisions in 1935. After the conclusion of the 1935 accords, these circles recalled last night, Signor Benito Mussolini asserted, "All accounts in Africa are now settled."—Havas.

Manœuvre Through Burgos

London, Dec. 23.

The latest Note sent the British Government by Nationalist Spanish Generalissimo was inspired by Italy. It was aimed as part of the "intimidation campaign" launched by Italy prior to the visit to Rome to be paid by the Prime Premier Neville Chamberlain and Foreign Secretary Lord Halifax, it was stated here today.

The Note complained that war materials for Republican Spain had been transferred from French ships to the Republican destroyer, Jose Luis Diaz, while the latter was in the Bay of Gibraltar. It is understood to press for the grant of belligerency rights to General Franco and conceal new large-scale Italian intervention in Spain, politicians here asserted.

According to authoritative reports, the Note has been completely ignored, however. Mr. Chamberlain is not expected to yield to Italian demands for belligerency rights.

Mr. Chamberlain has been encouraged to adopt a firm attitude both by France and the United States. In the first case, France confirmed during recent Anglo-French parleys that she would cancel all privileges granted Italian residents in Tunisia if Rome insisted upon denunciation of the 1935 accords. The United States' attitude towards dictatorships was clearly indicated by Washington's rejection of Germany's protest over Mr. Ickes' recent "anti-German" speech.—Havas.

Duce's Mouth-piece Opens

Rome, Dec. 23.

The Italian Government will make known its claims upon France "in their own time and in good and proper form," Signor Virginio Gayda wrote today in the "Giornale d'Italia." A "communication made by the Italian to the French Government, brought up in concrete manner a point from which Franco-Italian relations may be developed anew and where problems facing them and still left open may be examined," he said, and added that the "intransigent" attitude adopted beforehand by the French Government, and the "furious, bellicose movements in the French Press and among the people," will serve to change the atmosphere in which will be conducted the projected Franco-Italian negotiations.—Havas.

France Urges Firm Front to Duce

Paris, Dec. 22.

The predominant note in political comment in the Paris press today is that co-operation between France and Great Britain is still necessary against the aggressive designs of dictator countries.

"Great Britain, with the biggest Empire in the world, and France, with the second biggest," says "Le Petit Journal," "have the same strategic and economic interests and the same ideals to defend against the tyranny and voracity of dictatorial countries."

"Le Jour" and "L'Echo de Paris," commenting on the position of Italians in Tunis, write that "entry should be closed to new Italian immigration, and for a long time. It is further essential that the Italian Consul-General, who is gradually setting himself up as the head of a State within a State, should be brought back to respect his functions as a representative of Italian commercial interests and nothing more," the newspapers assert.

Duce to Mobilize?

Mme. Genevieve Tabouis, the Foreign Editor of "L'Œuvre," declares that "Herr Hitler and Signor Mussolini will allow a time limit for the French and British to discuss Italy's claim and, if no concessions are made, Italy will mobilize."

"Herr Hitler and Signor Mussolini have decided to make Italy's minimum demands known to Mr. Neville Chamberlain before he goes to Rome," she adds. "Mr. Chamberlain will be courteously, but firmly, told that he can have a certain period for discussions with France.

"If, when the time limit expires, France does not show a conciliatory spirit by making reasonable proposals regarding Italian claims, the Italian Government will consider British mediation to have failed, and will tell London that Italy will talk to France by the method of ultimatum and mobilization."—Reuter.

Argentine Wins Own Way

Lima, Dec. 22.

The various delegations, bowing to the Argentine demands, today reached an agreement on the declaration of solidarity against foreign armed or political intervention. The declaration agreed upon is virtually that proposed by Buenos Aires.

The agreement, which most observers regarded as an Argentine victory over the United States, was announced after a series of conferences attended by the heads of the principal delegations, including Mr. Cordell Hull, chief of the United States delegation.

Faced with a serious impasse which threatened to split the Conference wide open as the result of the conflicting views of Buenos Aires and Washington, it was decided to accept the Argentine solidarity declaration draft in order to obtain some unity of plan.

Move to Keep Solidarity

The draft finally accepted was that tendered by the Argentine delegations some days ago which countered the United States' plan for a declaration specifying union against "non-American" aggression. The Argentine delegation had tendered a subsequent draft proposal, but Mr. Hull, as chief proponent of the U.S. plan, regarded the earlier form as preferable and therefore indicated his willingness to accept it to preserve traditional continental solidarity.

The Argentine proposal as accepted reaffirms continental solidarity and collaboration between the various American republics in the maintenance of the principles upon which the solidarity is based.

The second point in the declaration enunciates these principles and reaffirms the decision to maintain them and defend them against all intervention or foreign activity that may threaten them.

The third article states that in the event of the peace, security of territorial integrity of any American state being threatened by acts of force of any nature, the nations joining in the declaration proclaim their common interest and determination to render effective their solidarity and to co-ordinate their efforts, through consultative procedure, by whatever methods the circumstances dictate, each government acting with juridical equality as a sovereign state.

The fourth point provides for the Foreign Ministers of the various states to meet when it is deemed convenient. The meetings are to be held in the various capitals, rotating until each capital has been the scene of such meetings.

Lastly, it is agreed that the declaration shall be known as "The Declaration of Lima."—United Press.

Reich Satisfied by Lima "Failure"

Berlin, Dec. 24.

Germany appears highly satisfied with the outcome of the Pan-American Conference at Lima.

The fact that the Argentina resolution on solidarity was passed instead of the much sharper anti-fascist United States' resolution, is generally welcomed here.

The "Berliner Tageblatt" says the United States Delegate returned home with well-nigh empty hands. The resolution passed, declares the paper, is the least binding of all similar pacts and does not say what Washington and especially Wall Street wanted to hear.

"The poisoned fangs," continues the paper, are removed from the United States' plan and the "victors at Lima are the solidarity and national consciousness of Latin American States."

Political quarters suggest that the attitude of the United States to Germany, as evidenced in the speech made by Mr. Harold L. Ickes, Secretary of the Interior, and the sequels to it, is due to disappointment at the outcome of the Lima Conference.

The report that President Roosevelt was awarded the Hebrew medal of 1938 for inaugurating the Evian Conference and helping the Jews generally, was made the occasion for fresh attacks on the United States.

The "Boersen Zeitung" says that this confirms everything said in the German press about the relations between the American Government and international Jewry.—Reuter.

Pan-American Conference

Lima, Dec. 23.

The Pan-American Conference today passed, by 19 votes to 1, with one abstention, a project for the study of a statute establishing an Inter-American Court of Justice.—Reuter.

Spanish Christmas Offensive

Republicans Claim Attacks Repulsed; Italian Divisions Reported to Be Taking Part

Hendaye, Dec. 23.

GENERAL FRANCISCO Franco's headquarters announced that the long-heralded "Christmas offensive" had been unleashed this morning amid a driving snow-storm. Already, the announcement claimed, the Nationalist forces had smashed the Republican lines at four points along the western boundary of Catalonia. General Franco, cloaked in a Moroccan burnoose, directed the drive from a spot near his principal base at Saragossa. For nearly a month General Franco had been massing a force of nearly 250,000 troops, with 400 pursuit planes and bombers and fleets of whippet tanks behind his lines in preparation for what is expected to be the biggest of the eight major Nationalist offensives of the war.

The chief objective of the "Christmas offensive" is the capture of Barcelona, 84 miles from the Nationalists' advance base at Lerida. It was from Lerida that the advance got underway this morning, with supplies and replacements pouring through the town for the troops at most points of the front. Surrounding Barcelona, however, was the so-called "Iron ring," defence works built of steel and concrete and manned by every ablebodied Catalonian between the ages of seventeen and sixty.

Although General Franco's forces isolated Catalonia from the rest of Republican Spain when he drove a corridor to the Mediterranean coast at Vinaroz early this year, the task of conquering 10,000 square miles of Catalonian territory still remains.

The main Nationalist offensive force, centred near Lerida, struck eastwards shortly after 8 o'clock this morning and claimed to have cracked the Republican lines in the Segre River valley after a terrific bombardment. After breaking through the lines, the communique stated that the Nationalist troops "continued strongly" toward the coast, apparently concentrating their advance along the railway line through Cervera toward Manresa. The communique claims that four Republican planes were shot down this morning, in the Segre valley.

Tremendous Artillery Fire

Throughout the day Nationalist and Republican artillery exchanged intense fire all along the Segre front, continuing their shelling which began yesterday. General Franco's artillery concentrated its fire along the sector from Tremp to Balaguer, the former being forty miles and the latter fifteen miles north of Lerida. This appeared today to be the sector selected for the major drive.

Despite the bad weather in the mountains, Nationalist planes and artillery co-operated in trying to destroy the defences of Republican General Vincente Rojo, but as far as could be ascertained from independent sources along the French border, the Nationalist infantry did not move forward. However, hundreds of refugees poured into the little Pyrenees capital of Andorra from the Catalan zone behind the Government lines in anticipation of the attack.

There were unconfirmed reports along the French border of another drive southward from Lerida toward Mequinenza, where the Segre River joins the Ebro, and thence eastward through the Ebro towns of Flix and Masas de Mora with the ultimate objective of capturing Tarragona. The Republican authorities were reported to be strengthening the defences of Tarragona.—United Press.

Republicans Claim Stand

Barcelona, Dec. 23.

An official communique issued by the Republican authorities states that the Republican forces under General Vincente Rojo successfully repulsed and threw back the Nationalists' "Christmas offensive" which was launched along a 50-kilometre front this morning.

The Spanish News Agency, a Republican organ, stated that the Nationalists had suffered heavy losses on the opening day of the big offensive, which was claimed to have failed to make any permanent gains.

The main attack, according to the news agency, was delivered in the Tremp and Seros sectors, after most intensive artillery preparations. The Nationalists succeeded in occupying Republican positions at Vertice and Sarragosa, but they were immediately dislodged by a fierce Republican counter-attack, suffering important losses in prisoner and war materials which were captured by the Republicans. At all other points the Nationalists were stated to have been driven back after making slight initial gains.

The prisoners captured by the Republicans included members of the Italian "Black Flame" and "March 23rd" Divisions. Thus for the first time since the great Italian defeat on the Guadalajara front the Nationalist General Staff has started an offensive by throwing a tremendous weight of Italian troops and armaments against the Republicans, it was pointed out.—United Press.

Argentine Against U.S. Proposal

Lima, Dec. 20.

The United States policy towards the Totalitarian Powers today faced a deadlock in Lima over the form of the proposed declaration of continental solidarity.

Attempts on the part of the United States delegation to line up the 21 American republics in a united stand against foreign military and ideological aggression today continued to meet strong resistance from Argentina, despite the efforts of Brazil and Peru to reconcile the opposing viewpoints.

A compromise declaration was drafted by the head of the Brazilian delegation and the Peruvian Foreign Minister, and was circulated to the various delegations to the Conference. However, the impression was growing that Argentina would remain adamant and not support any reference to "non-American" aggression. Any such reference Argentina is reported to regard as a rebuff o European nations.

Conference May Fail

Meanwhile, it became evident to observers here that if Argentina failed to approve the compromise draft submitted by Brazil and Peru the Conference, with only one week to go until adjournment, might fail to make any declaration at all, which would please the dictator states of Europe immeasurably and affect the prestige of the United States in those countries.

It was understood that the compromise draft put forward by Peru and Brazil would bind the American republics to present a united front against aggression either from an American or a non-American nation, both armed and political penetration being included.—United Press.

Stimson Doctrine

Lima, Dec. 21.

A resolution opposing the recognition of territory acquired by force in the American continent has been approved by the Pan-American Conference Committee for the Organization of Peace. The resolution, it is believed, will be assured approval by the full conference.—Reuter.

Defence Pact Opposed

Washington, Dec. 20.

Mr. George W. Norris, independent Republican Senator from Nebraska, today told newspapermen that the United States delegation to the Pan-American Conference in Lima should not conclude any agreements binding future generations.

He said that he was opposed to lending the other American republics money for military use. He declared that he was opposed to "any treaty that might bind us to go to their defence."—United Press.

Czech Communist Party Dissolved

Prague, Dec. 23.

The Government today ordered the complete dissolution of the Communist Party in Czechoslovakia and the confiscation of all Communist property. This was "for the benefit of the State."

Altogether 25 Communist deputies of the Chamber and thirteen Senators, as well as the Vice-Mayor of Prague and hundreds of local officials throughout the country were deprived of their positions.

The dissolution of the Communist Party, the imminence of which had been indicated by many recent events, came under Parliament's new grant of its power to the Cabinet. Under this new arrangement there is no necessity for the Cabinet to submit each action to Parliament for its approval.—United Press.

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FOREIGN TELEGRAMS (continued)

Germany Seeks World Loan

Mr. George Rublee to Visit Berlin to Negotiate With Dr. Schacht for Compromise of Proposal

London, Dec. 20.

MR. George Rublee, Director of the International Refugee Committee here, will go to Berlin early in 1939 to discuss with Dr. Hajlmar Schacht, President of the Reichsbank and former German Finance Minister, the question of financing Jewish emigration from the Reich. Mr. Rublee will be accompanied on his trip by the Assistant Director of the Refugee Committe.

The decision for these two men to travel to Berlin was taken today by the inter-governmental group's financial experts. The two delegates are to determine whether it is possible to find a compromise which would permit Germany to contribute in large measure towards the emigration and installation of Jews in other countries. Certain limits have been set and it is within these that Mr. Rublee must negotiate with Dr. Schacht. When he returns, Lord Winterton, head of the Committee, will convoke the leaders of all the member-delegations to decide upon possible further action.

Dr. Schacht outlined a plan for the settlement of the Jewish problem when he visited London last week. His scheme was based upon the thesis that of the 600,000 Jews in Germany, 200,000 are too old to leave the country and that there were only 150,000 young people, able to earn money and who must be expelled from the Reich at the rate of 50,000 per year.

The German scheme provides that 10,000 gold marks should be placed at the disposal of each of these young emigrants. The total of 1,500,000 marks would be furnished by a loan of which the capital would be gathered abroad. This capital would then be guaranteed by a fund of equal value held in Germany and representing about 25 per cent. of the possessions of German Jews.

The capital of this loan would be managed by a trustee, for which position Germany would suggest Mr. Rublee.

The Reich would then agree that its increased exports should be paid for out of their special fund. Sums of money gained from the increased exports would in turn be used to pay the individual Jewish emigrants their 10,000 marks.

Informed quarters declare that Dr. Schacht indicated that the realization of this plan would ease the internal situation of Germany.—Havas.

U.S. Diplomats Sceptical

Washington, Dec. 20.

American diplomatic quarters consider "impracticable" Germany's scheme providing for a loan to the Reich to cover the expenses of Jewish refugees' emigration.

As reasons they quoted the proposed sum of the loan, the great difficulties that would be encountered by any efforts to increase German exports in the face of the worldwide anti-Reich boycott and the fact that the scheme's acceptance would constitute "immoral priming" which might encourage other countries to follow Germany's example in anti-minority discrimination.—Havas.

Big Spy Conspiracy In Switzerland

Montreux, Dec. 21.

Swiss police operations, carried on near the French frontier yesterday, were concerned with a "big espionage conspiracy," it was announced yesterday.

A large number of refugees trying to cross into Haute Savoie from Geneva were intercepted, and a former dancing girl, of Italian origin, and four men, were arrested.

Whether the alleged espionage was on behalf of France or of Italy is not known.

Many documents were seized.—Reuter.

Hungary Now Within Berlin Axis Orbit

Budapest, Dec. 21.

Hungary's faith in and faithfulness to the Rome-Berlin axis was emphasized during an after-dinner speech by Count Csaky, the new Hungarian Minister for Foreign Affairs, here last night. Peace based on justice, the speaker declared, inspired both the "axis" and the friendly relations uniting Hungary and Italy. Therefore, he pointed out, it is only natural that Hungary's foreign policy should abide by the Rome-Berlin spirit and strive to develop further her cordial relations with both capitals.

Count Ciano, visiting Italian Foreign Minister, who was the guest of honour, then rose to express his delight at "having found Hungary greater and stronger."—Havas.

Fugitive from Nazis Executed

Berlin, Dec. 22.

Peter Forster, who escaped from the Buchenwald Concentration Camp in May, and was handed over to the German authorities by the Czechs on Tuesday, was sentenced to death by a special court at Weimar, and executed, yesterday.

Forster, a young German Social Democrat, fled to the forests with a fellow prisoner by the name of Bagatski, after his escape from Buchenwald. A Storm Trooper Guard gave chase and in the fight, fell dead, struck by a spade. A hue and cry was immediately raised, and Bagatski was eventually found hiding in a kiln, five days later, and was beheaded.

Forster reached Czechoslovakia. The Germans maintained that the killing of the Storm Trooper Guard made Forster a criminal, not a political prisoner, and pressed for his surrender. On Tuesday, their representations proved successful.—Reuter.

German Production to Be Increased

Berlin, Dec. 20.

Full powers to take all necessary measures to increase German production were granted today to Dr. Walther Funk, Minister of Economy, by Field Marshal Hermann Goering, Director of the Four-Year Plan.

Measures to be taken may include "the acceleration of factory-building and means of production and the increase of the individual output of all employed in Germany's economic system."

Dr. Funk will have to co-ordinate the activties of the various general commissariats.—Havas.

Autonomy for Ukrainians Refused by Poland

Warsaw, Dec. 22.

Holding that it conflicts with the Constitution, the Speaker of the Polish Parliament yesterday rejected a Bill, submitted by Ukrainian members, seeking autonomy for the territory inhabited by Ukrainians in South East Poland.

A demand for measures to "eliminate Jewish influence from Poland's economic and cultural life," and for mass Jewish emigration, was tabled by 116 deputies of the National Party, representing a Government majority.—Reuter.

Australian Democracy Now Menaced

SPECIAL TO THE "N.C.D.N."

Melbourne, Dec. 20.

Australian democracy is menaced from without and within, and a national effort is needed to prevent the disintegration seen elsewhere, declared Mr. Joseph Lyons, the Prime Minister, yesterday.

Mr. Lyons was inaugurating a campaign of the Australian Defence League in Victoria.

"Some nations do not now heed words, which must be backed by armed strength, "he declared. War was already operating in the world, Mr. Lyons stated, and no one could set a limit as to where it would strike next.—Reuter.

State of Emergency Called in Burma

Rangoon, Dec. 23.

A state of emergency was proclaimed here yesterday. It is believed to foreshadow the possibility of further large-scale arrests. The Governor-General of Burma, Sir Archibald Cochrane, yesterday returned here from Mandalay where he had gone to spend his Christmas holiday.—Reuter.

Troops Called Out In Rangoon

Rangoon, Dec. 21.

Troops of the 1st Btn. The Gloucestershire Regiment, were called out this morning to patrol the city and motor buses following the clash yesterday between police and students, who picketed the Secretariat as part of a "civil disobedience campaign."

Casualties in the demonstrations, during which marchers shouted "Burma for the Burmans, "were said to have been 72 persons injured.

Six members of the Dobama (Burma for the Burmans) Party were arrested, and the newspaper "Burmese Daily Sun" was asked to furnish 3,000 rupees as security.

This afternoon, military police were standing by near a gathering of a number of Buddhist monks by the Shwedagon Pagoda, who, it was feared, might move towards the city in defiance of the order banning processions.—Reuter.

Governor of Burma Arrives in Rangoon

Rangoon, Dec. 22.

The Governor of Burma, Sir Archibald D. Cochrane, arrived here today from Mandalay, whence he had travelled because of the recent civil disobedience campaign staged in Rangoon and the surrounding district.

At the same time, U Saw, leader of the Myochit (Patriotic) Party, who inaugurated the campaign on Monday, by marching at the head of demonstrators and shouting "Burma for the Burmans," and two others pleaded guilty today on a charge in connection with the procession.

As U Saw and his two companions refused to pay a fine of 100 rupees, they were sent to goal for two months.

Last night hooliganism again broke out here under cover of darkness. Some street lights were smashed and motor cars stoned.—Reuter.

Delegation of British Jews Plead for Aid

London, Dec. 24.

A deputation from the Board of Deputies of British Jews was received yesterday by the Colonial Secretary, Mr. Malcolm Macdonald, following a resolution passed by the Board at the beginning of the week asking for reconsideration by His Majesty's Government of the decision against the admission of 10,000 German Jewish children into Palestine.

The resolution called attention to the unprecedented human tragedy represented by the plight of those children and their parents.

After hearing statements by the deputation, Mr. MacDonald expressed his sympathy with the humanitarian considerations which prompted the resolution. He then gave a full explanation of the reasons which had compelled His Majesty's government to reach the decision already announced.—Wireless through Reuter.

France Content with British Assurance

London, Dec. 21.

In the House of Commons today, the Prime Minister, Mr. Neville Chamberlain, was asked whether, in view of the statement by M. Georges Bonnet, the French Foreign Minister, that all the forces of France would immediately and spontaneously be used in defence of Great Britain, in the event of unprovoked aggression, Mr. Chamberlain was prepared to make a similar, reciprocal statement regarding British support of France.

The Prime Minister replied that the position had been made clear in his recent statements.

When pressed in the matter, Mr. Chamberlain replied: "I believe that the French Government is quite satisfied."

This statement was received with cheers.—Reuter.

Arabs Demonstrate Loyalty

Hillside of Hebron Resounds to Applause as Union Jack Unfurls; Sheikhs Deplore Murders

Jerusalem, Dec. 19.

COLOURFUL and impressive spectacle was provided here yesterday, when a crowd of 3,000 Arab villagers demonstrated their loyalty to the King and to Great Britain at the hillside village of Yatta, south of Hebron. The Union Jack was unfurled, while a trumpeter sounded the General Salute, amid an outburst of applause. Major-General O'Connor, and other prominent officials, arrived in a convoy of cars, escorted by sheikhs astride horses and camels, although this is typically "ambush country."

Many sheikhs were presented to Major-General O'Connor, these including one bearded sheikh who claimed that he represented 60,000 people. He addressed the gathering, and deplored the murder, looting and destruction carried out by the rebel elements. He thanked the British military for breaking up the "criminal gangs," and said that he considered the British messengers of peace.

Major-General O'Connor, in a brief reply, stated that the British Army would continue to suppress the rebellion, and said hat he hoped for the assistance of the villagers in this campaign.

The purpose of the demonstration, as announced when it was planned several days ago, was to express loyalty to the King and to the British Government, and to offer a public expression of thanks to the British Army for ridding Palestine of its lawless elements.

A pilot of the Royal Air Force was slightly hurt, a British soldier was wounded, and Arabs sustained heavy casualties in a fight between British troops, assisted by aircraft, and a large band of armed Arabs eight miles from the place where the big meeting of Arab loyalists was held yesterday.

Sheikh Alkatib, preacher in the Mosque of Omar, was shot dead within the Old City yesterday. He was one of the group recently invited by British troops to inspect the Mosque precincts, when snipers were alleged to have hidden there.—Reuter.

Revenge Motive of Murder

Jerusalem, Dec. 18.

Sheikh Said el Khatib, of the Omar Mosque, was assassinated in the Old City today, his murderers escaping in the ensuing disorder. The killed man was at one time secretary to the now-exiled Grand Mufti. His murder is considered to be an act of revenge following the recent murder of Sheikh Ansari, who was opposed to the Arab extremists.—Havas.

Another Pace Move

Jerusalem, Dec. 21.

Another Arab peace move was made yesterday by the Mayor of Jenin, a Moslem town, accompanied by twenty Councillors and other notables.

Interviewed by Reuter, the British Assistant Commissioner expressed satisfaction at the release of the five Arab leaders, including the former Mayor of Jerusalem, who were deported to the Seychelles following their arrest on October 1, 1937.

He also expressed satisfaction at their readiness to co-operate for the maintenance of peace and order.

Several thousand Arabs have applied for identity cards and travelling permits during the last two days, indicating a weakening of the terrorist influence.

Terrorization by threats has for some time prevented Arabs from applying for passes and identity cards.—Reuter.

Moscow Adamant on Fisheries Issue

Moscow, Dec. 21.

M. Maxim Litvinov, Soviet Foreign Commissar, remained adamant when the Japanese Ambassador, Mr. Shigenori Togo, called on him for the tenth time yesterday in connection with the pending question of Japanese fishing in Soviet waters.

While the Japanese diplomat insisted that the *status quo* be maintained, he was informed that the Soviet Government was maintaining integrally their stand to the effect that certain modifications should be made to the regulations enforced so far.—Havas.

Franco-Greek Cultural Agreement Signed

Athens, Dec. 20.

An important accord for the strengthening of cultural relations between France and Greece was signed here today.—Havas.

Palestine Closed To Migration

London, Dec. 22.

To make any alteration in the existing rates of Jewish emigration into Palestine would prejudice the position regarding one of the main subjects for discussion at the forthcoming Palestine Conference.

This statement was made in the House of Commons yesterday by Mr. Malcolm MacDonald, the Colonial Secretary, in answer to a question respecting the Government's refusal to allow the immigration into Palestine of 10,000 Jewish refugee children.

Mr. MacDonald added that the Government maintained this position in face of both Jewish and Arab claims.

Asked if the Government would reconsider the question and, perhaps, receive 5,000 children, Mr. MacDonald said that the Government had considered the possibility, but it was thought that this would constitute a breach of principle. He pointed out that the Government's decision did not necessarily exclude the 10,000 children permanently. Replying to further questions, Mr. MacDonald emphasized that Palestine could not provide a solution for the whole refugee problem.—Reuter.

British Soldiers Kidnapped

Haifa, Dec. 21.

Six British soldiers were kidnapped today while walking along the main street of Haifa.

This was one of the daring coups executed by rebels who resumed terrorism throughout Palestine disrupting the comparative calm of the past few days. Two British soldiers were killed here while going out on patrol and now Arabs in the Holy Land threaten to go on a general strike in protest against British measures of terrorists-suppression in the Tulkarem region.

Meanwhile, from Baghdad, Sheikh Mohamed Hussein el Kashef el Ghata launched an appeal today to Musulmans all over the world to give their support to the rebel forces in Palestine.—Havas.

France Sounded on Ukraine Issue

Paris, Dec. 20.

The Soviet Ambassador to France, M. Jacob Souritz, today called on the French Foreign Minister, M. George Bonnet, and asked for a clear definition of the French policy toward the present Ukrainian idependence movement, informed quarters disclosed today.

M. Souritz asked particularly what position France would assume if the present propaganda and agitation developed into an open conflict.

Meanwhile the Czarist leader, General Alexis Denikine, vigorously denounced the present Ukrainian independence move in a speech before a large audience of Russian emigres in Paris. General Denikine declared that the Ukrainian independence movement was a part of Herr Adolf Hitler's "march to the East."

General Denikine revealed that Herr Hitler had offered to him and to General Gourke the leadership of such a movement two years ago, but that they had refused. He concluded by urging that all Russians refuse absolutely to take part in the Ukrainian independence movement.—United Press.

Italian Round-World Cruiser Aground

Montevideo, Dec. 21.

The Italian 7,000 ton cruiser Duca da Osta, which was due here yesterday on a round-the-world voyage, grounded on a sand bank off Rio Grande, and is reported to have been badly damaged.

Some casualties were understood to have been sustained among the crew.

With her sister ship, the Eugenio di Savoia, she left Italy three months ago. The Eugenio is continuing the voyage.—Reuter.

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Accord with France Revoked

Britain and Germany Notified; Paris Press Becomes Ironical Over Fascist Agitation

Rome, Dec. 25.

IT has been officially stated that Great Britain and Germany have been notified of Italy's repudiation of her 1935 Agreement with France over Tunis. That the re-opening of Italy's claims for colonial compensation is based on the 1915 treaty in London, was made clear in an article in the "Giornale d'Italia," yesterday. The article said: "The agreement over Italians in Tunis remains to be done over again. The problem of Article XIII of the London Pact, assigning to Italy the right to colonial compensation from France, to which France engaged her signature and her honour, remains to be re-solved to Italy's satisfaction."

The remainder of the article was designed to show that Italy never occupied territories ceded to her under the Mussolini-Laval Agreement of 1935, which Italy now denounced. The writer also complained that Italy had to pay a high price for shares in the Djibouti railway, which she acquired under the agreement, and she has not received the shares formerly owned by the Negus.

Signor Virginio Gayda, writing in the "Voce d'Italia,"' calls the forthcoming visit to Corsica of M. Edward Daladier, the French Premier, "provocative," because he will be accompanied by high military, naval and air authorities. He says that this "warlike demonstration will be provocative for all Italy"

Referring to reports that the French Government will state that Italy's denunciation of the 1935 Agreement restores the *status quo*, Signor Gayda writes that the *status quo* means that the state of hostility, which has divided France and Italy, will be reopened. It means, he adds, that Italy reacquires the full right to react against the "overbearing treatment by the French authorities at Tunis."—Reuter.

Quai d'Orsay Reticent

Paris, Dec. 25.

The French reply to the Italian Note, declaring that the Franco-Italian agreement of 1935 was void, was the principle topic of a 2½-hour Cabinet meeting yesterday morning.

Official circles are reticent about the contents of the reply, but it is generally presumed it will emphasize that France has regarded the agreement as liquidating differences between France and Italy and, consequently, France can only note the Italian denunciation, which re-establishes French and Italian relations on the status quo that existed before the agreement was made. M. Georges Bonnet, French Foreign Minister, also described at the meeting, the efforts he had made to effect a Christmas truce with Spain.—Reuter.

French Press Comments

Paris, Dec. 26.

Considerable comment was devoted in the press here this morning to Italy's denunciation of the Franco-Italian accord of 1935 and to France's reaction.

"The most pro-Italian Frenchmen view with pity this artificial excitation, these ordered injuries, and the so-called clever violences, since they know of the utter futility of such a stand," says L'Action Francaise."

"Why become indignant?" asked M. Vladimir d'Ormessosn, writing in "Le Figore." "The Fascists press is not a press; it is an organization of propaganda which obeys instructions. It has been instructed to deal with a subject, to 'put on the heat' or to turn it off. Therefore an essential distinction must be made between this fake campaign and the real state of mind of the Italian population."

Duce's Beautiful Eyes

"L'Ordre" adopted a more ironical tone. "Herr Hitler, who is dreaming of colonizing the steppes of Ukrainia, will not compromise the achievements he outlined in 'Mein Kampf' for Signor Mussolini's beautiful eyes."

Political circles here pointed out that contrary to certain assertions made in Rome, the 1935 accords were duly ratified by both the Italian and French Parliaments, although the exchange of the instruments of ratification failed to take place.

The accord was submitted to the Italian Chamber in May 1935 and was approved unanimously by all those present, while the Italian Senate approved the agreement on May 29 of the same year, by a vote of 235 to seven. The ratification in the French Parliament took place shortly after.—Havas.

Belgium Adopts Aerial Defence Bill

Brussels, Dec. 24.

The Chamber yesterday, by 117 votes to 10, adopted the Aerial Defence Bill, the cost of which amounts to £425,000,000.

The credits under the Bill will be devoted mainly to the provision of anti-aircraft guns.

The measure carries a clause under which the Government must give an account of the progress of the air precaution work by April 30.—Reuter.

North Ireland Remains Loyal

London, Dec. 24.

The Northern Ireland Parliament adjourned today until March 7. In a message to the people of Ulster, Lord Craigavon, the Premier, says: "Whatever the future may hold in store, we are determined as ever to stand loyally by Great Britain and the Empire and to meet the demands made upon us for the defence of the realm.—Wireless Through Reuter.

Terrorists Rounded-Up

Belfast, Dec. 23.

A strong bodyguard was assigned to guard the Prime Minister of Northern Ireland, Lord Craigavon, today while police scoured six Ulster counties seeking fleeing members of the outlawed Irish Republican Army.

The wide searches were started today following disclosure of an alleged terrorist plot on the part of leaders of the Irish Republican Army. More than 100 leaders of the Army were understood to be held at present in Belfast prisons. Fearing that an attempt would be made to release these men, the authorities were believed to be considering a prisonship in which to hold them, and whatever additional I.R.A. men could be captured.

Meanwhile police cars, bristling with rifles, halted cars and motor trucks on all roads leading from Belfast, seeking arms and explosives which it was believed the Irish Republican Army had assembled in the city in connection with their professed aim of achieving a union between Ulster and Eire.

The Home Office asserted that the Irish Republican Army had plotted to seize the Parliament House, the Law Courts and the City Hall, and to kidnap several important Government officials during the Christmas holidays.

However, I.R.A. officials still at large said that the round-up was merely an "excuse" for the authorities to prosecute them and end the agitation for union.—United Press.

British Loan Curbs Again in Force

London, Dec. 21.

The Chancellor of the Exchequer, Sir John Simon, announced in the House of Commons yesterday that temporary relaxations made on restrictions on foreign lending have now been withdrawn.

In a statement on the subject, Sir John declared:—

"The House will recollect that on February 1 last year I stated that, in view of the condition of our exchanges at that time, greater latitude would, until further notice, be allowed in respect of certain applications to the Foreign Transactions Advisory Committee.

"In view of present circumstances, the Foreign Transactions Advisory Committee came to the conclusion, with which I concur, that immediate restriction is now required, of greater latitude than then announced, and I have reason to think that the need for such restriction is generally acknowledged.

"Accordingly, I take this opportunity of stating that the temporary relaxations made in February have been withdrawn.'

The greater latitude allowed since February 1 this year, now withdrawn, was in respect of applications regarding raising of new money on behalf of British borrowers for acquiring assets, or developing enterprise, abroad. The term "British" included borrowers in any part of the Empire, and transactions involving large blocks of foreign-owned securities.—Reuter.

Britain Assesses 1938 Progress

London, Dec. 24.

The past year was dominated by the evolution of the international situation along lines which determined the chief Cabinet reshuffles here and which led to the resignations of Mr. Anthony Eden and Viscount Cranborne in February and of Mr. Alfred Duff-Cooper after the Munich Agreement. Other salient features included the important position assumed by problems of national defence, which became matters of the first rank for all Governments.

For the first time in a long while, 1938 saw the nation in arms and the shadow of war very close indeed. Since May 21, the United Kingdom has lived constantly on the alert but for a brief period of eased tension right after conclusion of the Munich Agreement.

The year was marked by attempts to realize a policy of appeasement with Italy and Germany, and these yielded some results. The results were not as substantial as hoped in the case of Italy and failed completely with Germany.

Huge Rearmament

The Government's preoccupation with national defence problems was made obvious in the drafting of the Budget for the 1938-39 fiscal year, which calls for an expenditure of £944,398,000 upon the armaments programme alone. This shows an increase of £81,500,000 upon the estimates for the past year.

Of the total sum, the Army received £77,373,000, while the Navy got £83,810,000 and the Air Force, £72,976,000. More than £19,000,000 were allotted to cover payments of pensions in the three services. The total does not include £90,000,000 which the Government intended to collect by means of loans.

To cover the increased expenditure, Sir John Simon, Chancellor of the Exchequer, increased income tax rates from five shillings and six pence, the highest rate since the World War. He also raised the tax upon tea by two pence per pound, and the tax upon motor fuel by a penny per gallon.

Futhermore, Sir John announced the constitution of reserve stocks of raw materials and the institution of measures to improve both the active and passive defence systems.

Increased Production

Chief efforts were bent towards increasing national production. In the field of aviation, projects were studied for the establishment of air plants in Canada, because such factories would not only serve to increase production but would be protected in case of attacks upon Britain herself.

Statistics are kept secret, but it is understood that the present monthly output of aeroplanes in Britain totals some 350 or 400 machines. This is expected to be doubled during the coming year.

With regard to the Navy, it is known that 21 warships of varying displacement were launched during 1938 and that the Admiralty has already announced that 46 more would be launched during 1939.

It seems that the Admiralty is bent upon establishing a formidable fleet of aircraft-carriers, because although seven are already in service, five others have been laid down in construction yards. Six of the vessels now in service are capable of carrying some forty craft apiece.—Havas.

Hungary Refuses Visa For Abbot Chao Kung

Budapest, Dec. 25.

The Home Ministry here refused the request by the famous adventurer Trebitsch Lincoln, who wanted to re-enter his country of origin, it was announced here today. Trebitsch Lincoln, who is now a Budhist priest and resides in Shanghai under the name of Abbot Chao Kung, applied to the Hungarian authorities in July last, stating that he was "an old man who would like to spend his last days in the village in which he was born." His request was transmitted to the authorities here by the Buddhist monk, Tao La.—Havas.

French Senate Finance Body Passes Budget

Paris, Dec. 24.

The Senate Finance Committee today adopted with only unimportant modifications the bill upon the French Budget for 1939, already voted through by the Chamber of Deputies. The modifications suggested are not with regard to the essential articles of the project.—Havas.

U.S. Foreign Policy Trend

Japan in China, Reich and Italy in Europe, To Be Countered by Firmer Democratic Stand

Washington, Dec. 26.

PRESIDENT Roosevelt will strengthen American foreign policy in 1939 to meet the presssure of totalitarian powers in the western hemisphere and the Orient, high Administration officials predicted today in surveying international events of the past year. Government officials based their prediction on the increasingly firm stand taken by the United States in the latter months of 1938, including consistent American pressure for the maintenance of the Open Door in China. This pressure, it was pointed out, has been exerted despite Japan's resistance and objection to interference from third Powers in the Far East, and at the risk of endangering American-Japanese relations.

Other events of 1938 which were cited here as indicating the president's determination to maintain American rights and interests abroad included the bluntly worded protests to Japan against the fatal bombing of the U.S.S. Panay and Japan's prompt payment of indemnity; persistsent Notes to the European anti-Semitic governments demanding assurances that the rights and interests of American Jews would not be violated.

Washington's prompt demand, several times reiterated, that Germany assume responsibility for payment of Austria's post-war debt to the United States, constituted another indication of a firmer policy.

President Roosevelt's statement that the United States would not tolerate foreign aggression against Canada, and the President's intervention in the October European crisis over Czechoslovakia. America's rejection of Germany's protest against the recent anti-Nazi speech delivered by the Secretary of Interior, Mr. Harold Ickes, all in conjunction with the Lima Declaration which included the main objectives of the American delegation to the Pan-American Conference, further indicated the trend in Washington.

The Government's record peacetime rearmament programme, including plans for the defence of the entire western hemisphere, while continuing pressure for payment of indemnity by the Mexican government for American oil lands recently confiscated in Mexico, and the extension of credits to China and renewal of the U.S.-China exchange agreement which was to have expired at the end of this year, culminated the strengthening of ties with Britain which led to the extension of trade treaties to include the United Kingdom.

New Definition Expected

High Administration officials yesterday said the President would redefine the foreign policy of the United States in his message to Congress on January 3. The President, it was reported, is determined to reiterate America's opposition to dictatorial governments and will urge Congress to give wholehearted support to policies which would empower the Government to keep Fascism and Communism out of the New World.

The President is expected to denounce "power politics" which considers apparent in all relations with certain countries during the past several years. The President is expected to list specifically all cases of aggression by the totalitarian powers since the Japanese invasion of Manchuria.

Officials here regarded the incident involving the Secretary of Interior's attack on Germany last week as definitely closed, unless Germany decides to take further steps on the question. The German protest was rejected by the United States on the grounds that the anti-Nazi remarks of Mr. Ickes represented the opinion of a considerable portion of the American public, and that freedom of speech was one of the essential rights of all Americans. The reply to Germany hinted that more such speeches could be expected in the future unless the German press ceased printing anti-American propaganda.

Naval Policy Change

Establishment of a permanent Atlantic Squadron of the U.S. Fleet, which was announced here, was generally regarded as an indication that the Government would adopt a strong foreign policy. It was reported that in such a policy the Navy and the State Department would have the support of many Congressmen and Senators.

The Navy Department's explanation of the decision to create a permanent force to be stationed in the Atlantic, however, was that the question had been studied carefully for many years. Naval strategists have long studied the question, many of them feeling that such a force was fast becoming necessary. Proponents of the idea, however, were under distinct disadvantages during the era when Europe was comparatively quiet. The subject rose for new consideration, according to well-informed sources, soon after the Italian campaign opened in Ethiopia, and continued with increasing impetus after Germany's annexation of Austria.—United Press.

Nationalist Claim New Successes

Hendaye, Dec. 26.

General Francisco Franco's Nationalist troops in west Catalonia continued their desperate efforts to push through a 100 mile Republican defence line along the Segre River today after bitter fighting raged throughout Christmas Day

Burgos reports said the Nationalist offensive had advanced slightly less than five miles during the past 24 hours, making a total gain of fifteen miles in two days. Fighting was interrupted yesterday only when Catholic priests came into the Nationalist trenches to read Christmas Mass for the Franco troops.

Despite Nationalist claims, there were indications today that the Republicans were holding their lines in the centre sectors of the front and were staging a vicious counter-attack in the north near Tremp. Barcelona reports said Nationalist advances were "slight" and confined to the southern sector where advances were said to have been made only at great cost.

Much Aerial Activities

Republican troops were reported to have succeeded in narrowing the Nationalist offensive to only one sector where the Nationalists claimed big victories yesterday. Both sides reported broad aerial activities in the southern sector where Nationalist planes co-operated with infantry in spraying the Republican lines while Nationalist troops advanced.

Approximately 500,000 men were engaged in today's sanguinary battles along the broad front as the Nationalists fought bitterly in an attempt to succeed in their long threatened offensive against Republican strongholds in Catalonia.

Heavy snows aided the Republicans in some sectors in holding up the Nationalist advance. In the Tremp sector, however, the Nationalists claimed they had occupied dominating positions. Along the lower Segre River front Nationalist troops were reported to have broken through three Republican lines and turned southward in a fan-like manœuvre led by cavalry.—United Press.

Memorial to George V Dedicated

London, Dec. 26.

A memorial tablet to George V was dedicated yesterday in the parish church of St. Mary Magdalene, at Sandringham, in the presence of the King, the Queen, the Princesses Elizabeth and Margaret, the Duke and Duchess of Gloucester, the Duke and Duchess of Kent and other members of the Royal Christmas party.

The tablet, of white marble, is above the pulpit and bears an engraving of the head and shoulders of the late King, with the following inscription: "In loving memory of King George V, 1865-1936, this plaque is placed here by his devoted wife and children."

The ceremony was conducted by the Rector of Sandringham, the Rev. Arthur Rose Fuller.—Reuter.

Italy, U.S.S.R. Agree To Close Consulates

Moscow, Dec. 25.

Following conversations here, the Italian Ambassador and the Commissariat for Foreign Affairs agreed to the closing of the Soviet Consulate in Milan and of the Italian Consulate in Odessa, the semi-official Tass news agency announced today.—Havas.

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FOREIGN TELEGRAMS (continued)

World Forgets Trouble

Europe in Grip of Winter Frost; Traditional Festivities Ignore Political Quarrels, Wars

SPECIAL TO THE "N.C.D.N."

London, Dec. 26.

DESPITE the bitter cold which continues to grip all Europe, in spite of the many tense political issues still pending and in spite of two wars, Christmas was celebrated as whole-heartedly as ever in most parts of the world, according to reports reaching Reuters London Office today. London shivered under a blanket of fog, with snow on the streets, but inside the homes the cares of international politics and the ever-present worries of A.R.P. were apparently forgotten. According to a Christmas Eve survey among the leading London shops, more Christmas trees and plum puddings were sold this year than for any other previous Christmas.

In France, Germany and Italy all outward activity appeared to cease, except in the churches whose bells sounded throughout the week-end. The festivities were celebrated traditionally and with no apparent stinting from economic poverty. In Palestine alone, the land of Christ's birth, was the general spirit broken. Despite the Christmas truce, one Arab police corporal was shot dead in the old city of Jerusalem on Christmas morning.

While the Archibishop of Canterbury was blessing the Christmas Crib in the Chapel of Canterbury Cathedral, representing the Holy Family with the Babe in a manager, a man rushed forward and shouted: "My Lord Archbishop, I pray that you desist from this pre-Reformation and childish practice."

The Primate calmy rebuked the interrupter, saying: "You should make your protest at a more proper time."

The man, who appears to be a member of the Protestant Truth Society, was escorted from the Cathedral and the Primate proceeded with the ceremony.

A party of unemployed persons, who, in the past few days, had been attempting to attract attention to the conditions of themselves and their fellow unemployed, demonstrated yesterday outside the house of Lord Rushcliffe, Chairman of the Unemployment Assistance Board. There were about 120 men and ten women in the group, and they chanted songs and shouted slogans. Later, they held a meeting nearby.

These were the same persons who recently invaded the Ritz Hotel for tea, making speeches there, and, subsequently, took a petition to Buckingham Palace for presentation to the King.—Reuter.

Jerusalem Without Cheer

Jerusalem, Dec. 25.

Despite a Christmas truce and that curfew in Jerusalem has been relaxed, Palestine today faced its third successive cheerless Christmas in general insecurity.

Relaxation of traffic control in the Bethlehem area and the roads from Jerusalem to Bethlehem and from the adjoining villages, permitted many persons to travel to Bethlehem last night to praticipate in midnight masses in the Cathedral and the churches.

The 20,000 British troops now in the country are all imbued with the Yuletide spirit, but the actual Christmas ceremonies in Jerusalem were only attended by the Worcestershire Regiment, which is encamped in the monastery facing Manager Square. The remainder of the soldiers, who are scattered throughout the country, are celebrating the festival as best they can.

Even the customary pilgrimage, organized by the Young Men's Christian Association, to Telboaz, the site of the shepherds' field, outside Jerusalem, has been abandoned for lack of security. Instead of eating broiled meat over a campfire, with the flat Arab bread as plates, Y.M.C.A. members gave a programme of carols, led by a choir and carillon, on the flood-lit terrace of their building in the centre of Jerusalem.

The Roman Catholic ceremonies in the Church of Bethlehem took place with traditional splendour.—Reuter.

President Roosevelt's Message

Washington, Dec. 25.

"I shall do whatever lies within my power to hasten the day foretold by Isiah, when men shall beat their swords into ploughshares, nation shall not lift up its sword against nation and neither shall they learn war anymore," said President Roosevelt in his annual Christmas Day message to the American people. The President remarked that he was, in this way, renewing before all the world the pledge that he had often given to his countrymen.

Peace efforts in the Western Hemispher were commended by the President, who considered it a happy circumstances that the deliberations of the Pan-American Conference would be successfully concluded soon after the birthday of the Prince of Peace. He expressed the hope that the boon of peace enjoyed by the entire western world might be vouchsafed to all nations and peoples.

"We desire peace," declared President Roosevelt, "and shall work for peace. We covet neither in the lands nor in the possessions of any other nation or people."—Reuter.

Czech President Broadcasts

Prague, Dec. 24.

The Czech President Dr. Emile Hacha, delivered a special Christmas message in a radio broadcast this evening.

He said that Czechoslovakia could not forget, during present festivities, the sadness that weighs upon all the people. Nevertheless the country could have hope for the future because, "We are still on the territory on which we have lived for more than 1,000 years."

"After the crisis, we found ourselves again and we can now live and work together with our Slovak and Carpatho-Ukrainian brothers. I am sure that Christmas this year will signify the beginning of a new fraternity among the Czechoslovak peoples," he concluded.—Havas.

Midnight Masses in Barcelona

Barcelona, Dec. 25.

Eight hundred midnight masses were celebrated in this city last night, and over 10,000 people received the sacrament.—Havas.

Death Toll High in U.S.

New York, Dec. 25.

According to the latest figures available from police authorities, the Christmas festivities' death toll reaches the total figure of 260. most of which are due to motoring accidents.—Havas.

Britain Perfects New Bomb Explosive

London, Dec. 25.

Details of a new incendiary bomb were released by the technical adviser of the Astbury anti--aircraft defences today.

The bomb is so light that a normal-sized bombing plane can carry 2,000 of them. It is known as the "Kilo Electron." A large bomber can drop ten or twenty of these missiles at a time. "The bombs spread out as they fall, and it has been calculated that a large bomber flying in a straight line at 200 miles per hour at a height of 5,000 or more, releasing twenty bombs per second over an area containing fifteen per cent. of buildings, might be able to start a fire every sixty or seventy yards," the technician stated. "The bomb gives off a flame of molten magnesium which would burn from ten to twenty minutes at a temperature of 1,300 deg. C. (2,736 deg. F.)—Havas.

"Red Duchess" Beaten In By-Election

London, Dec. 22.

The Government candidate, Mr. W. McNair Snadden, scored an unexpected victory today, by a majority of 1,313, over the Duchess of Atholl, who was standing as an Independent candidate in the Kinross and West Perthshire by-election.

The figures were: Mr. Snadden, 11,708; the Duchess of Atholl, 10,495.

The Duchess, who had been a member for the Kinross and Western division of Perth since December, 1923, recently resigned over disagreement with the Prime Minister's foreign policy.

She is a prominent sympathiser of the Spanish Government and has, thereby, earned the sobriquet of the "Red Duchess."—Reuter.

Mr. Cordell S. Hull, *Secretary of State.* — Mrs. Elise F. Musser, *of Salt Lake City.* — Mr. A. A. Berle, Jr., *Assist. Secretary of State.* — Mr. Alfred A. Landon, *Former Governor of Kansas.*

American Delegates to the Lima Conference

American delegates to the Pan-American Conference at Lima are shown here. The four in the lower group are Messrs. Green W. Hackworth, Legal Adviser to the State Department, Rev. John F. O'Hara, President of Notre Dame University, Lawrence Steinhardt, U.S. Ambassador to Peru, and R. Henry Norweb, U.S. Minister to the Dominican Republic.

Lima Declaration Unites All

Unanimous Stand for Mutual Defence Against Threats on Liberties and Democratic Life

Lima, Dec. 25.

MR. Cordell Hull, Secretary of State and chief of the U.S. delegation, today indicated he felt another major stride had been made in the "good neighbour" programme. This, he indicated, was achieved with the unanimous approval of the "Declaration of Lima," which further modernized the United States Pan-American policy in the face of a vastly changed world outlook, particularly as regarded Europe. Mr. Hull, speaking before the plenary session of the Conference today, told the delegates what he conceived the "Declaration of Lima" to mean.

"We recognize in the Lima Declaration our determination to present a common front against activities or threats from outside forces designed to impair the peace, security, the territorial integrity of the American nations, or to undermine the democratic institutions of the western hemisphere. We declared that any such threats concerned us all, and that we were determined to make our solidarity effective.

"We are prepared to repel these threats with tenacity by means of concordant measures of a preventative nature or by combined direct action against anything that would impair or threaten the American order. We are prepared to take such action against any introduction of men or ideas that reflect or tend to establish in our lands are in opposition to ours, regimes which are against our liberties and theories of democracy and social and moral peace. We are prepared to defend ourselves against political fanaticisms and fetishisms which cannot prosper under American skies."

Mr. Landon Praises Work

Mr. Alfred Landon, former Republican candidate for president, who last week warned the United States that it must protect the westner world and not allow political differences to hinder such an objective, warmly praised the work of the Conference.

"From the beginning," he said, "it has been plain that there existed among the delegations a great measure of common unity of purpose..... All of us carried to the conference room the knowledge that great emotional and political disturbances rule in much of the world today. We have heard the accents of force grow louder, until they come to the ears of all peaceful men, like the relentless pounding of a hurricane. We have seen armies and airplanes organized for attack and vast fleets mobilized.

"We know that there is intense activity in the spread of doctrines inspired by hatred.....Such a dangerous situation has been created by the activities of some of the largest powers of the world today. It is plain to me from personal conversations that my colleagues of other delegations feel as most of us do in the United States, that the type of life we desire cannot survive if these practices prevail."

The next Pan-American Conference, the ninth, will be held in Bogota, capital of Colombia, in 1944, it was announced here today.—United Press.

Washington Enthusiastic

Washington, Dec. 26.

Early press reaction indicated the Lima Declaration would receive an enthusiastic reception in the United States today.

The Declaration was expected to be popular because of the impression that it constitutes a bulwark against aggression in the western hemisphere and a safeguard for democracy.—United Press.

Argentina's Pledge

Buenos Aires, Dec. 25.

President Roberto M. Ortiz said in his Christmas message broadcast to the nation today that pacts and alliances between nations of the western hemisphere were not necessary to secure joint defence against possible outside aggression.

The President pledged his country to join with the American republics in resisting aggression, whether the attack was made on one of Argentina's neighbours or "distant friends."

"We can subscribe to all propositions based on reciprocal collaboration and mutual respect," the President said. "This excludes the necessity for pacts and alliances against possible attacks."—United Press.

Netherlands Chamber Passes Traffic Bill

The Hague, Dec. 23.

The First Chamber yesterday passed a Bill authorizing the Government to enforce a protective tariff by royal decree. The Bill becomes operative upon the introduction of another trade measure, which has already been drafted.

Dr. Hendrik Colijn, the Premier, declared that he was still a free trader, and had not lost hope in restoring free trade in the Netherlands, but after the London World Economic Conference, he was convinced of the necessity of a new Netherlands tariff policy.—Reuter.

Nationalists Carry Out Surprise Attack

Valencia, Dec. 21.

The only movement of ground forces in the Spanish War reported yesterday was a surprise attack by the Nationalist forces on a hill in the Cabezamelbuey sector, on the Estremadura front.

The Republicans claim that this attack was easily repulsed. Rain was falling heavily throughout yesterday on all fronts, and there were heavy falls of snow in the mountains.—Reuter.

Queen Mary Advised To Rest

London, Dec. 25.

The "Sunday Express" reported today that medical advisers to the Royal Family had advised the Queen Mother Mary to take more rest in the future. There is no immediate cause for anxiety over the Queen's health, however, the paper said. She has been inconvenienced with a slight throat ailment for the past two years, but this condition is not serious.—United Press.

Cotton Monopoly May Be Abandoned

London, Dec. 21.

Mr. Joseph Stourton, Conservative member for South Salford, asked in the House of Commons yesterday whether it was not confirmed that the Japanese were attempting to create a monopoly in the raw cotton trade in the area around Shanghai.

Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs, in reply, stated that it appeared that the attempt to establish such a monopoly had now been abandoned.—Reuter.

Iraquian Premier Resigns

Bachdad, Dec. 25.

The Premier of Ira. Djemil El Madfai, resigned today, thereby causing a ministerial crisis. Nourri Pasha Said has been entrusted with the formation of a new Government, and announced this afternoon that he had succeeded. The crisis followed severe measures taken by the Premier against the opposition leaders.—Havas.

OBITUARY

General Martinez Anido

Burgos, Dec. 25.

The death was announced here yesterday of General Martinez Anido, Nationalist Minister of Public Order.—Reuter.

Mr. W. I. Griffiths

London, Dec. 23.

Mr. W. I. Griffiths, President of the National Union of Railwaymen, was found dead today on the Great Western Railway line, near Swindon, having apparently fallen from the train in which he was travelling from London to South Wales yesterday.—Reuter.

Dr. Frank Vizetelly

New York, Dec. 21.

Dr. Frank H. Vizetelly, famed lexicographer and scholar, died here today at the age of 74. Pneumonia, complicated with pleurisy, was the cause of his death. Editor of Funk & Wagnalls Standard Dictionary, and of their New Encyclopaedia of Universal Knowledge, Dr. Vizetelly also wrote more than a score of books on grammar, pronunciation, "slips of speech" and the effective use of English. He was perhaps best known as the editor of the "Lexicographer's Easy Chair," which appeared weekly in the "Literary Digest" until 1937.

He was also well-known as a radio speaker and was for a time dean of the Columbia Broadcasting System's Pronunciation School.—United Press.

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SPECIAL ARTICLES

CHRISTMAS DAY, 1938

BY SHAVIAN

Dec. 25.

"Peace on Earth and Goodwill towards Men"

Today is Christmas Day. It is a happy festival which softens many hearts with its message of good cheer and yet this year the celebrations, while they will not lack the sincerity of former years, come at a time when the world is strangely sick and apprehensive of what the future holds in store. While the Christian nations of the world today will pray on bended knee in their cathedrals and churches and give thanks to God for the birth of the Holy Child, Jesus, who by his Supreme Sacrifice decreed that mankind would be saved from the fate of its inhuman acts, there hovers in the background the spectre of countries torn by war, whole cities razed to the ground and large populations, including women and children, homeless and sick as the great demon of blood and steel spreads his ever devouring meshes to envelop the green countryside and busy towns. Spain, in the third year of a deadly struggle in which neighbour fights with neighbour, China entering the second year of a bloody war which has laid in waste vast tracts of abundantly fertile territory and has seen the destruction of the homes of its people, and in Europe the grim spectre of nation arming against nation, matching might against might, in preparation for a struggle which is bound to burst upon the world with volcanic force unless reason prevails over madness. Such are the signs at this Christmas period when prayers for the safety of the world must be allied with the thanks of all Christian peoples for God's gift of Jesus Christ. It is at this period that the message "Peace on Earth and Goodwill Towards Men" must be transmitted from ear to ear and from nation to nation so that there never shall be a repetition of those dark days from 1914-1918.

* * *

Christmas is a happy festival though. It is a holiday. It provides an excuse for spending more than one can afford and eating more than one can digest; but it provides for something far more important, the opportunity for showing goodwill, for being natural. People are more natural at Christmas, much more themselves, more human and much less mechanical. In Shanghai, in London, in New York and other great centres throughout the world there is a difference in the atmosphere at this festive time. One is jostled and pushed inside the huge stores thronged with late shoppers—and nothing is more hurtful than the female elbow when its owner is bent on making a purchase—but one smiles, and after woefully picking up one's hat trodden into an unrecognizable mass by hundreds of dainty (or otherwise) feet the Christmas sentiment banishes away forever all malicious thoughts and in their place comes "Well it's time I had a new hat anyway." And so it goes on, for after all there is no malice abroad today. The same air prevails in the streets, on the buses and trams, in the tubes. Happiness is part of Christmas, and although the old fashioned Yule log has given way to the electric fire and snow is a rarity—when it does fall it is instantly dark greyish slush—that happiness is still left and so it will remain forever.

* * *

Christmas, too, is a time for memories. There may be a longing, there may be some regret, and in Shanghai there must be many hearts which yearn for a Christmas to be spent at Home, sitting round the fireside with the old people and recounting the old times which one knew as a child or as a young man or woman ready to start out in life. Such things must be, however, if the world is to continue and after all in these days of rapid transit they are not so far away. One's thoughts on a day like this are with others and one thinks only of the joy one can bring by some kindhearted deed, which brings in its wake the satisfaction of knowing that at least someone appreciates the little that has been done to conform to the real spirit of Christmas. It is a pity that this friendliness, which pervades whole households on a day such as this, is absent from the governing centres of our world Powers. The world would be a better place if Christmas came every day.

* * *

Illustrating the friendly atmosphere which Christmas induces, to the exclusion of all bitter thoughts and malice, comes a story from war-ridden Spain as told by a soldier in General Franco's army. In a battle fought during this festive season a priest on the insurgents' side regularly said the evening rosary with his men and it was followed by three "Ave Marias" for "our fallen." One evening in the later stages of the battle the usual ritual was followed, but when the priest announced the "Ave Marias," instead of the usual response there was dead silence. He announced them again with the same result. Then a private stepped forward. "We want it different," he said, "we want for our fallen and their fallen." The priest agreed and so it was thereafter. Thus the Christmas spirit indicated that there may be some basis for union after all below the hideous surface of the civil war.

* * *

It was so during the Great War when British "Tommies" and German soldiers exchanged cigarettes as Christmas dawned upon the gory battlefields of Flanders. On the morrow they were killing each other again, not because they wanted it that way but because they had been forced to resort to this inhuman brutality by those in authority over them. At such a time as this it is well to reflect and consider the utter futility of war and all that follows in its train—ruin, desolation, families in sorrow and no victors, for was a victory ever won on the battlefield? Christmas is fleeting, however, and the thoughts of today will be forgotten tomorrow for man is a fickle animal. "Keep alive this Yuletide spirit" should be a watchword among all nations and war will be banished forever.

* * *

For the young people Christmas is the ideal holiday. For them it brings the thoughts of toys, a box of soldiers for Billy and a doll for his little sister, and for those just reaching adolescence there are the countless parties with mistletoe and the promise of finding a happy flirtation. "Plenty to eat and away with all cares" will be their slogan and to their parents will come untold joy as they meet them late in the evening and see the happy glow on their smiling faces as they recount the doings of the day. Christmas is the finest time of the year, for it is a day of "Peace on Earth and Goodwill towards Men."

BY SAPAJOU

The World Dictator for Today

IN PARENTHESIS

Howler

A MANDATE is a girl's appointment with a boy friend.

* * *

Mediocrity

A GOOD seventeen-handicap man—one who has reduced mediocrity to a science.

* * *

Handicaps

HANDICAPS at golf are given to make mediocre players feel equal to Bobby Locke and bad players feel equal to anything.

* * *

"Late Knight"

"MY dear, he was always so unpunctual that, even while he was alive, she referred to him as "my husband, the late knight.'"

* * *

Fair's Fair

SHOULD a husband share the housework with his wife? asks a correspondent. Well, Clearance, it is surely hoggish to want to do it all by yourself.

* * *

No Use

AN air raid warden approached an old lady in the village and told her he had called to fit her with a gas mask.

"It's no good, young man," she replied. "I'm on electricity."

Streaky

"Now," said one of those school visitors who revel in intelligence tests, "if all the good people were white, and all the bad people black, what colour would you like to be?"

"I know what I'd like," replied the angel child, "but I'd be streaky."

* * *

Court Query

"CAN you describe your assailant?"

"Describe him? Why, that's what I was doing when he landed me one!"

* * *

Rebate

"You have been fined far too often," said the magistrate.

"Oh." said the defendant. "Have I got something to come back, then?"

* * *

Just as Well

POLITICIAN (angrily): "Those newspapers tell abominable lies."

Friend: "And yet they might do worse."

"Do worse! What do you mean?"

"They might tell the truth."

* * *

"Chop"

A TRAMP called at a cottage, and instead of being turned away with harsh words, he was asked kindly by the owner, "How would you like a nice chop?"

"That all depends, lady," replied the tramp suspiciously. "Is it lamb, pork, or wood?"

* * *

No Wonder

"WHAT are you annoyed about?" "Well, I had a pair of gloves and I lost one of them, so I threw away the other. I then found the first but I threw that away because I didn't have the second, and now I have found the second glove."

* * *

Carrying a Joke

"You took this chicken from the farm," said the magistrate, "and rode off with it on your bicycle. You were stopped seven miles away."

"I only did it for a joke, sir," pleaded the defendant.

"You carried the joke too far," said the magistrate.

* * *

Apology

HE had bought a very old car and felt he owned the road. When another driver, whom he had kept behind him for a mile, yelled, "Get your old iron out of the way!" he was furious.

"Look here," he cried, pulling up, "I demand an apology!"

The other looked pityingly at the dilapidated car.

"You've got it"

* * *

Too Much for Her

HE looked across the tea-table at his pretty bride, hesitated, and then made up his mind to speak.

"Darling," he said, "I wish you wouldn't make any more scones."

"Why?" she asked, a hurt look in her eyes. "Don't you like my cooking?"

"I do indeed, my sweet, but you are too frail for such heavy work."

Best Years

THEY had embarked on a long and bitter quarrel.

"How can you talk to me like that," she sobbed, "after I've given you the best years of my life?"

"Oh," replied her husband coldly, "and who, may I ask, made them the best years of your life?"

* * *

Bright Ones

"I LIVE—and he earns," says a modern wife. That should learn him.

Many women stop in front of shop windows merely to reflect.

The man with money to burn doesn't need to be so hot himself.

Daughter's last word: Don't be so early Victorian, mother! This is 1938, not 1937.

* * *

The Old, Old Story

NOT for the first time hubby came home long after the clock had struck midnight. But he had with him something which he hoped would ward off the storm that awaited him.

"My dear," he started, as he came into the bedroom with a paper bag in his hand—"my dear, I've brought home some chestnuts."

His wife never looked up.

"Go on,' she said wearily. "I'm listening."

* * *

Amnesia

THE old farmer was dying and was giving a few parting instructions to remaining partner.

"Don't forget, Mary," he murmured in weak tones, "that Bill Jones owes me £20."

"Oh, the poor dear!" sobbed his wife. "Sensible to the last!"

"And don't forget, too, Mary," went on the dying man, in still weaker tones, "that I owe Brown £25."

The widow-to-be sobbed even louder.

"Oh, dear!" she murmured. "He's wandering again."

* * *

Low Mentality

A BENEVOLENT lady was doing a round of a mental home, and having chatted with several of the patients, she came across one seated at a table engrossed in writing. She approached carefully and said:

"What are you doing?"

The patient immediately replied: "I'm writing a letter."

Then she ventured to ask: "Who to?" and came the ready reply: "I'm writing to myself."

"What are you saying?" she asked, whereupon the patient replied:

"Oh, I shan't know until I open it in the morning."

* * *

Two-Termer

AN American superintendent of schools visited a night-school for negro adults. He was called upon to congratulate an old negro woman. She had enrolled at the start of the course with a single, avowed intent—to learn to write her name. She had succeeded, and the course was at an end, and she was leaving.

The next year the superintendent visited the same school. The old darkie woman had enrolled again he was told.

"Why?" he asked her.

"Ah's goin' to learn to write mah name," she said.

"But you learned that last year."

"Ah knows dat. But now"—and she swelled with pride—"now Ah done got married."

* * *

Irish Mathematics

PAT had returned from the fair, where he had enjoyed himself tremendously in company with some friends, and was telling his pal Mike all about it.

"There was Dooley and his missus—that's two. Don O'Connor—that's three. An' then there was Patsy Murphy."

"You were saying there were five of ye," said Mike, "but it's four you've counted."

Pat rubbed his head. "Bedad," he muttered, "I was thinking there was five of us altogither—well, now, the fifth never turned up, after all."

* * *

The Secret

A TEACHER noticed that one of her pupils was being dreadfully teased by the other little boys during playtime, and drew near to the group to hear what was happening.

"Come on, Bill," they were insisting, "tell us what your father is." But the child remained obstinately silent.

She decided that she had better interfere, and breaking up the group, took little Bill aside.

"Why wouldn't you answer their question?" she asked gently.

At first Bill would not reply, but in the end it seemed to be almost a relief to him, and he burst out: "Father's the bearded lady in a circus, miss, so, of course, I couldn't say."

* * *

Better Odds

THE landlord of a public-house had a parrot which could talk about anything from horse racing to darts.

One day a stranger entered, and said his parrot could talk better.

After an argument, a match was arranged for £10, the parrot which spoke more in ten minutes to be the winner.

When the stranger's bird arrived both parrots were put on a table. The local parrot did not speak at all, and the landlord paid over his £10 to the stranger.

When he was putting his parrot back again the landlord said to the bird. "You're a smart one, you are."

The parrot whispered in his ear, "Listen, you. Make a return match for £50 and I'll talk the blighter's head off."

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FROM THE FOUR WINDS

A "Sucker" in New York

Confidence Trick which Failed to Work on British Visitor; Game of Matching Coins

Having spent several weeks in the United States on his return from furlough enjoyed in England and the Continent, Mr. W. Lewisohn, Peiping correspondent of the "North-China Daily News," has written a series of articles giving his impressions of America. The first was published in these columns on December 14, the third will appear in an early issue.

AS I said at the beginning that I was giving a description of my own personal experiences and impressions, I think I ought to interrupt the story of my travels in order to give an account of a strange, but not unamusing, encounter that I had with a couple of "con" men in New York. I am not proud of this incident, although quite undeservedly I ended $1 to the good.

Nor do I retail it as a warning to others, because I cannot conceive that anyone would have been quite so blind as I was. But it is a pleasant and perhaps unique little story, in that the very stupidity which caused me to fall into the trap brought me out of it again unplucked.

While I was sitting in the lounge of my hotel reading the morning paper, a stoutish, highly respectable-looking elderly gentleman, came and sat down in the chair next to me. He was dressed in a quiet well-cut suit of grey and wore gold-rimmed spectacles: anyone more respectable it would be hard to imagine. Indeed, he bore a strong resemblance to a certain friend of mine in Peiping.

At first conversation languished, as I answered rather disjointedly, being more interested in my paper; but after a time we became more confiding, and he informed me that he was a Canadian, that his name was Compton, and that he was spending a few days sight-seeing in New York, on his way to Vancouver to say good-bye to his brother who was employed in the Shell Company in Hongkong and was sailing in the Empress of Japan, on which ship I happened to be travelling too.

Now, wasn't that a strange coincidence? (Well, no, it wasn't. For he had no doubt previously inspected the labels on my luggage, and if I had been less absorbed in the European situation, I might have smelt a rat, and our acquaintance might have ended there and then. But, to tell the truth, I only listened to him with half an ear.

Seeing the Sights

He asked me what I was doing in the afternoon. I said I was going on a sight-seeing tour, whereupon he expressed a wish to accompany me to which I gave a very languid assent. I then went out to lunch and promptly forgot all about him. When I got back to the hotel I found him waiting for me in the hall. He at once came up to me and said that the sightseeing bus did not start for another hour or more. (This was a very lucky shot of his, for as it happened I had not made any enquiries myself, nor did I go up to the hotel desk).

He then said that he must call round at a hat shop where he had ordered a hat that morning. And, indeed, the hat he was wearing did look a bit shabby and out of keeping with the rest of his smart apparel. Would I come along?

As we went out, he mentioned that he was staying at the hotel, giving the number of his room as the one next to mine.—another "coincidence" that again failed to excite my attention. As we walked along we discussed England and Canada quite intelligently.

We had not gone very far when a youngish fellow with a strong American accent accosted us and asked us the way to the Walton Hotel. I replied that we were strangers, and looked up the hotel in the guide-book I was carrying, but not unnaturally could not find it.

Youth from Alabama

Our new acquaintance then walked along with us and proceeded to give us his life story. He was from Alabama and had just put through some land deal on behalf of his sister and was sticking to half the proceeds with which he was having a good time in New York. In the course of this long, rambling story he made himself out to be half-fool, half-crook, no doubt expecting to excite my cupidity. But as I hardly troubled to listen to all his talk, this part of the plan missed fire completely. Finally he said "Look here, you fellows are strangers here in New York. So I just want to warn you against picking up a girl in the streets." Then he launched into another long yarn of how he had picked up a girl and when he wanted to pay her $5 found he had only a $20 bill which he gave her to change for him and with which she promptly made off.

By this time I had come to the conclusion that the young fellow was not only a dreadful bore, but also a crook as well. And I was intent on warning my "Canadian" friend against him, as he appeared to be becoming much too friendly with him. What then was my annoyance when the "Canadian" said laughingly "Oh, that couldn't happen to us in Canada!" "What do you mean, couldn't happen to you?" asked the other. "Why, I'd have matched her." said the "Canadian."

Here they were again out of luck. For as I happened to know what "matching" means it failed to elicit any of the excited questions they had expected. I remained silent, and they were forced to carry on the dialogue about matching between themselves.

Matching Game

We had meanwhile turned up a side street. Here the "Canadian" stopped and taking a couple of cent pieces showed the other how matching was done. "Ah, get along with you," said the young fellow, "You can't fool me that way. Any sucker could beat you at that game. Its all baloney." "You think so?" said the "Canadian" "Let's try."

They matched, and, of course, the "Canadian" won, and the other handed him a dollar. They matched a second time with the same result, and the young fellow walked off a few yards, as if in a huff. I had watched these proceedings with only a very languid interest and in a very detached frame of mind.

It is true that so far I had signally failed to play the role of sucker that they had allotted for me; but then, on the other hand, neither did I show the slightest signs of intelligence or suspicion. Thereupon the "Canadian" buttonholed me saying "Look here, that fellow is not only a fool but a crook as well. You heard what he said about his sister's property. We ought to teach him a lesson." I disclaimed any interest in teaching anybody a lesson, and expressed the view very forcibly that if anybody was taught a lesson, it would be himself, and that he would lose his money.

Challenged

Meanwhile the young fellow came back to us, and challenged us both to match. I refused, but the "Canadian" insisted "Just for fun," put a cent in my hand and before I could do anything they matched and, needless to say, I won—at least so they said—and handed me over a couple of dollars, which I promptly pocketed intending to give back the "Canadian" his when we got back to the hotel.

We walked on some way, the two of them still discussing the "game," and turned up another side street. Here the young fellow challenged us once more, saying there was something funny about this matching. The "Canadian" was willing, but I was utterly bored with the whole affair and firmly refused. Thereupon he became quite nasty, saying that I was not a gentleman or words to that effect and adding. "That's just like you Britishers. You never play fair, why, you don't even pay your War Debts. "This was certainly a blunder on his part, if he hoped to continue the game! for it at last roused me to a semblance of life.

Desire to Arbitrate

There was a policeman standing at the bottom of the street. So handing back the fellow his dollar I said. "I don't want your money. But for the rest, let's go and ask that cop there to arbitrate." That ended the business, and the young fellow hastily departed. Then turning to the "Canadian" who had stood by in silence I suggested that we get on with the business of finding his hat shop.

As we walked along I lectured him, still in perfect good faith, on the folly of picking up chance acquaintances in the streets of strange cities. With equal solemnity he assured me that he was not to be caught so easily. We had quite a pleasant little discussion on the subject, a charming conversation which must, I imagine, be unique in the annals of the confidence trick. What he thought of me I cannot conceive. But whether he thought that I was pulling his leg in some very subtle way, or whether he thought that I was just plain mad, it must have been highly mystifying to him. Anyhow he played his part very well right to the end.

Believe it or not, we did find that hat shop. It was inside some big hotel. At the door of the shop my "Canadian friend" suddenly said "Just wait here a moment. I want to go into the lobby to change a traveller's cheque." That struck me as queer, as he claimed to be staying at my hotel, and I followed him, at a little distance, up the stairs into the lounge, where I saw him disappearing round a corner without stopping at the cashier's desk. Then, and then only, for the first time, it flashed into my mind that he, too, was in the game and was the decoy who was to have led me into the trap.

I went back to my hotel in a very cheerful frame of mind, with his dollar in my pocket, which I had after all forgotten to return to him. The only thing I regret in this affair is that I was unable to hear their comments on the perfect "sucker" whom they had caught so beautifully and yet so signally failed to pluck. It must have been a great disappointment for them.

Pope Condemns All Church Enemies

Rome, Dec. 52.

Addressing the College of Cardinals, who brought him Christmas greetings, the Pope made a sad speech containing an attack on the alleged violation of the Concordat with Italy and a strong reference to Nazi Germany.

Referring to Herr Hitler's visit to Rome last spring, the Pope said: "When I think of the recent apothesis of the Cross, hostile to the Cross of Christ, prepared in this very city of Rome, and think of the injury done to the Concordat and other matters mentioned in my speech, I thought at least some respect and right would be paid to my white hairs.

"Instead, they wish to ride roughshod over everything.

"This tenth anniversary of the Concordat, instead of bringing the serene joy we should have liked, arouses grave preoccupation and bitter grief—particularly bitter in view of the real and manifold violations inflicted on Catholic action, which is the pupil of our eye and which has nothing to do with politics, but is purely concerned in making good Christians."

The Pope declared that secret gestures of permission and encouragement must be issuing from high places since vexations unceasingly occur throughout the Italian peninsula and not only in small and unimportant places.—Reuter.

Lightning Strikes Papal Residence

Vatican City, Dec. 21.

Lightning was believed to have struck the Papal Building at 7 o'clock this evening during a severe thunder shower. It was believed that the lightning struck the lightning conductor. About 50 window-panes in Rafael's Picture Gallery were broken simultaneously as the result of the bolt. The Pope was working in his private library on the second floor of the building when the lightning struck. He was momentarily shocked, but no serious effects were observed in his condition.—United Press.

Desperate Plight of 7,000 Jews

Warsaw, Dec. 25.

The desperate plight of the seven thousand Jews expelled from Germany, who for nearly two months have sheltered in barns and stables on the Polish-German frontier, is now being investigated by Mr. Robert Briscoe, a member of the Eire Parliament.

Mr. Briscoe had an interview with representatives of the newly formed Jewish Colonisation Committee of Poland, which is occupied with a plan to finance the transference of refugees overseas.

It is understood that Mr. Briscoe put a proposition before the Polish Government, under which Poland is to supply a sum of money on the understanding that a further sum will be subscribed by Polish Jewry and international Jewish organisations. Polish Jews have already begun to subscribe.

It is believed that Mr. Briscoe is also contemplating a scheme for financing a mass emigration of Jews from Poland.—Reuter.

Sixty Years Ago

FROM THE "NORTH-CHINA DAILY NEWS" OF DECEMBER 21, 1878

From Amoy: "Longstop" writes in the Amoy "Gazette," respecting the Races at that port:—The ponies are going nicely, though the coffee stand (specially when ladies are there), appears to have a great attraction. Rollo is a clipper and I do not think Scamp is to be sneezed at. Nonetor will make a nice hack for the summer. Cumshaw will be hard to beat. Poor Whipcord is burst up. Master Mason will do well for the banquet on Wednesday.

* * *

The following circular has been issued by Mr. A. Davenport, H.M. Consul. "Shanghai, December 18, 1878—Sir, In consequence of the death of H.R.H. the Grand Duchess of Hesse, a general mourning has been ordered in England for three weeks, to end on January 6. I have accordingly to instruct you to hoist your flag at half-mast from the day on which you receive this despatch until the last day of the general mourning."

* * *

FROM THE "NORTH-CHINA DAILY NEWS" OF DECEMBER 22, 1878

From Singapore: A cricket match was played between Scotsmen and the World, on St. Andrew's Day, the band of H. M. 28th Regiment performing during the game. The first innings were in favour of the Scots, and the match was to be concluded on the following Saturday. Some idea of the increase in the value of land here may be gathered from the fact that several lots at Tanjong Paggar sold at auction a day or two ago at from 50 to 70 cents per square foot, equal to $20,000 to $30,000 per acre. This same land was bought a few years ago from the East India Company for one rupee 15 acres. At an extraordinary general meeting of the Telegraph Company in London, on the 4th instant, it was resolved to lay a duplicate cable forthwith between Penang and Port Darwin. The manufacture of the cable will be proceeded with at once. "We learn" says the "Ceylon Times" of November 21, "that a coffee company is in contemplation for the purpose of taking up land in the State of Johore and cultivating it with coffee of both varieties and probably other products. The accredited representative of the company will proceed to Singapore, en route for Johore, by the next P. & O. steamship, in company with Mr. Buchan. It is not expected that the first blocks of forest will command more than Rs. 10 per acre.

* * *

FROM THE "NORTH-CHINA DAILY NEWS" OF DECEMBER 23, 1878

The entertainment, the fifth of the present season, given on Saturday night last in connection with the Temperance Society, in their hall in Nanking Road, was more than ordinary successful, the hall being completely filled although the weather was bitterly cold. This was probably owing to the fact that the programme contained the names of some of our leading amateur vocalists and readers, a conjunction not always to be obtained. A very pleasant evening was spent, and Mr. C. P. Blethen president, took an opportunity of thanking those who had so kindly given their services on the occasion. We hear it is in contemplation to give a performance of "Richelieu," at the Lyceum Theatre, with Mr. and Mrs. Fairclough in the principal roles, supported by a full cast, chosen from among our best amateurs.

* * *

FROM THE "NORTH-CHINA DAILY NEWS" OF DECEMBER 24, 1878

In order that our staff generally may have the opportunity of enjoying Christmas, there will be no publication of the "North-China Daily News," tomorrow or the day after.

* * *

At the Cathedral services for Christmas Day there will be the usual collection for Church expenses on this day. Services will also be held, on St. Stephen's Day, (Thursday), on St. John's Day (Friday), and on Holy Innocents' Day (Saturday) the last-named being a special service for children.

* * *

FROM THE "NORTH-CHINA DAILY NEWS" OF DECEMBER 25, 1878

While, as in duty bound, we wish our readers "A Happy Christmas and a prosperous New Year," we feel that these annual salutations are gradually losing much of their old meaning. They are sinking into the category of courteous forms, for no better reason than that we are learning to live so terribly in earnest that merriment has become as it were an unclean thing, and prosperity has acquired the meaning of victory in the struggle for precedence. Worse than this, children themselves are beginning to take a serious view of existence, such as ought to be postponed for many a year to come. They are old men and women before their time, and a Christmas article cannot be better expended than in protesting against such unnatural precocity. It is true that now, as heretofore, the close of the year brings with it charity and hospitality, gatherings together of old friends, and thoughtful provision for the wants of those whose lines have fallen in difficult places. But we miss the mirth and gaiety of early times when the approach of Christmas-tide turned old people young, and force young people into ecstasies of delighted anticipation. We have the eating and drinking, the songs and toasts, the evergreen wreaths and the sacred mistletoe, but the fun and frolic are as extinct as the mastodon or the mail-coach.

* * *

FROM THE "NORTH-CHINA DAILY NEWS" OF DECEMBER 27, 1878

From Ningpo:—On the 23rd instant, the ordinary jogtrot existence of this outport was pleasantly enlivened by a musical and literary entertainment in aid of the funds of the Reading Room Club. Various ladies and gentlemen of the community lent a willing aid to ensure success to this, the first, may we hope, of a series of pleasant evenings. Notably may be mentioned, a member of the Shanghai A.D.C., whose rendering of "Jack's Yarn" and "I Fear no Foe" elicited enthusiastic encores from the audience. Some of the readings were given with great taste and expression. In spite of the inclemency of the weather, the attractive programme, which the active committee had succeeded in producing, filled every seat in the large office of the Customs, in which the commissioner had kindly allowed the performance to take place.

* * *

FROM THE "NORTH-CHINA DAILY NEWS" OF DECEMBER 28, 1878

From Amoy:—Some of the bachelors of Amoy gave their second ball of the season on December 20. Everything was up to its usual standard, which is saying a great deal, and, in point of decoration the ballroom was considered by some to have been even more tastefully arranged than on the previous occasion. Some one kindly made a very nice champagne cup; but it fell among thieves and disappeared in the twinkling of large tumblers, thus proving that about 2½ gallons is after all a relative quantity. Besides festoons of evergreens, from the roof there was much more gold lace flitting about than usual, so that altogether the scene was of singular brilliancy. One gentleman bore so much of the said lace on the outside of his trousers that we were asked if he was not an admiral in mufti. Mr. Bain played away almost incessantly throughout the evening with that amicability and accuracy which characterize him and his music respectively.

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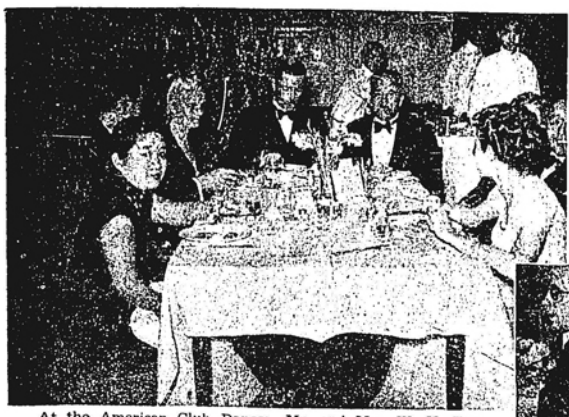
A Club Dance and Some Portraits



At the American Club Dance: Mr. and Mrs. W. H. Tan, Mr. and Mrs. C. D. McCullam, Mr. and Mrs. C. W. Porter, and Mr. and Mrs. H. E. Stowall.—*Hamilton.*

ANNUAL DANCE OF THE AMERICAN CLUB

The annual dance of the American Club was held in the club rooms in Foochow Road on December 21 and was well attended. In the photograph below are seen Mrs. Betty Eisler and Mr. William Van Buskirk.—*Hamilton.*

At the American Club Dance: Mr. and Mrs. Masfield Freeman, Lt. S. T. Kaspar, Mrs. I. S. Brown, Mr. Wilbur Judd, and Mrs. H. W. Gibson.—*Hamilton.*

At the American Club Dance: *(left hand picture)* Mr. and Mrs. "Happy" Adams, and Mr. and Mrs. Karl B. Hill. *(right hand picture)* Mr. and Mrs. Reed, and Mr. and Mrs. Wygall.—*Hamilton.*

Mr. and Mrs. Frank Mankiewicz were visitors in this city last week during a trip round the world. Mr. and Mrs. Mankiewicz are the parents of Mr. Joseph Mankiewicz, the Hollywood producer.—*Josepho.*

Mr. Edward Smyth and Miss Frances Adams were married at Holy Trinity Cathedral on December 20.—*Skvirsky.*

Mr. P. D. G. Gain has recently returned to Shanghai and resumed his duties as Honorary Trade Commissioner for the Union of South Africa in Shanghai. *Bann's.*

Mr. I. I. Spilwanek, Consul-General for U.S.S.R., has returned to Shanghai.—*Josepho.*

Mr. R. del Lago, Brazilian Minister to China, passed through Shanghai recently on his way back to Peking.—*Josepho.*

Maurice and Valerie Eldridge are the children of Mr. and Mrs. C. H. Eldridge. Mr. Eldridge is with the Hongkong & Shanghai Bank at Chefoo.—*Josepho.*

Princess Maria, youngest child of the King and Queen of Italy, whose engagement to Prince Louis of Bourbon Parma was officially announced last month.

A recent portrait of Pearl Buck, noted authoress, who has been awarded the Nobel Prize for Literature.

Master Ronald Inch Calder is the son of Mr. and Mrs. W. G. Calder and the grandson of Capt. and Mrs. J. T. Inch. He will be 4 years old next spring.

Mrs. Blatchford, Mr. R. B. Roach (Captain of the Club), and Mrs. Roach.

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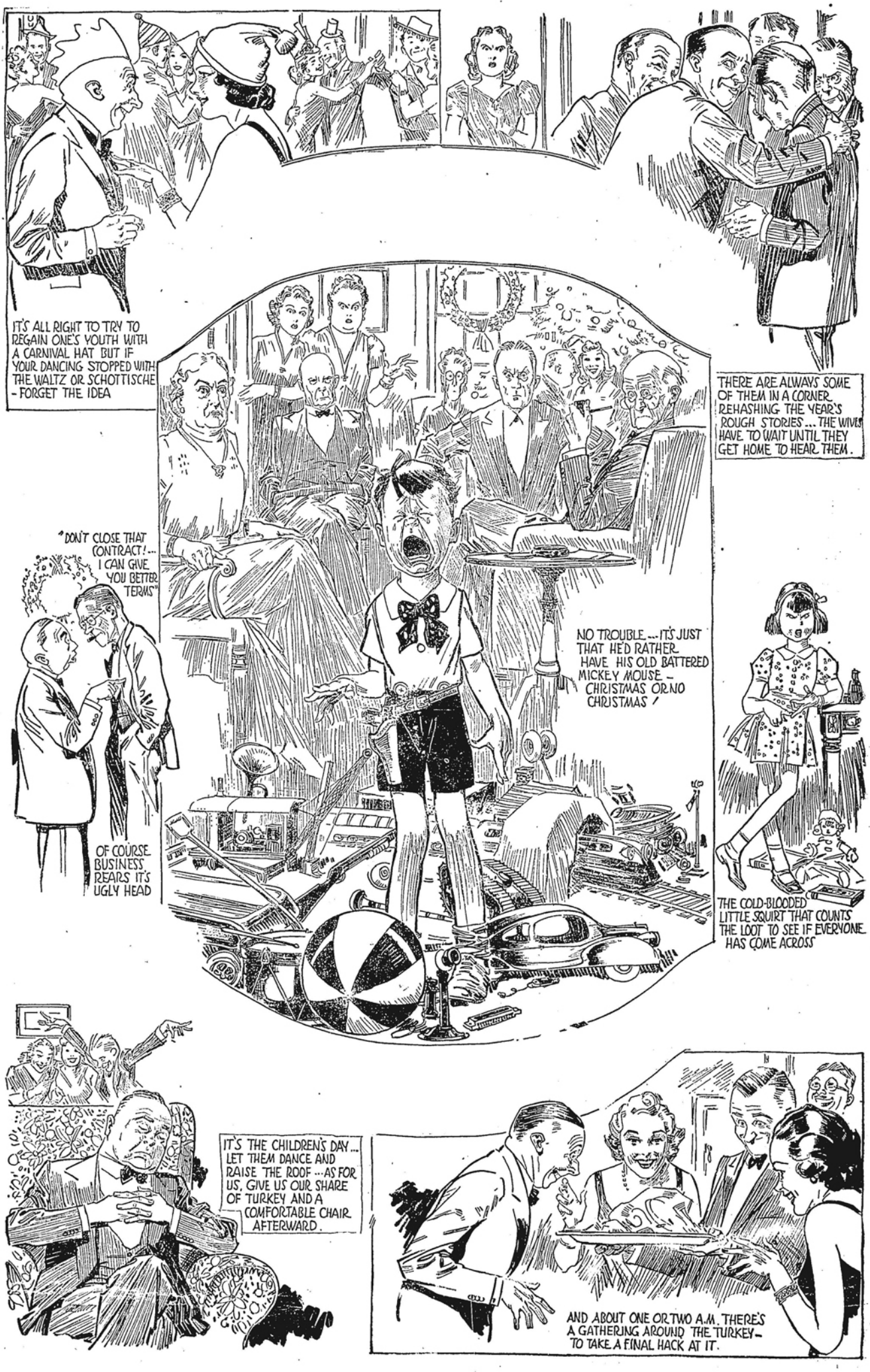
The Day We Celebrate

VIGNETTES OF LIFE

By J. NORMAN LYND



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THE WOMAN'S PAGE

A London Letter

By Olive Dun

London, Nov. 30.

The news that Mr. Chamberlain when in Paris visited the Duke and Duchess of Windsor and told them that there was no legal or other reason why they should not come to England (one assumes for the sake of argument, though perhaps rashly, that the Prime Minister did say this) has set everyone talking. The difficulty is the question of the title "Her Royal Highness" for the Duchess. It is said that the Duke and those about him always speak of her in this form. But it is perfectly clear that she would not be allowed to use it in England. The King's declaration, after the abdication, stated unequivocally that, while the Duke remained a Royal Highness, neither his wife nor children, if any, would enjoy that title. So if the Duke and Duchess of Windsor returned to England she would merely take rank as what Queen Victoria once described as "a common duchess."

On the whole one does not think they will come and most people will feel they had better not. There is still much affection in England for the Duke. It is rumoured that there is even a party of new legitimists, who dream of somehow getting him back to the throne, though how it beats ordinary wit to imagine. Yet undoubtedly the general feeling was for once accurately if brutally summed up by Mr. Herbert Morrison, when he said that "Kings who abdicate have only two alternatives—to make a nuisance of themselves, or to disappear."

• • •

A Daring Duchess

Another duchess who is very much in the news is her Grace of Atholl, conservative M.P. for Kinross and West Perth for the past 15 years. She has quarrelled with the Government over its foreign policy, notably as regards Spain, where she ardently supports the Nationalists of Barcelona—and some few months ago announced that she did not wish henceforward to receive the Party whip (the technical way of declaring that she was thenceforward independent). The Kinross Unionist Association met and decided to find another candidate. To this the Duchess has replied with spirit by resigning her seat and announcing that she will fight in the by-election as an independent candidate. There has never been a Labour candidate in this constituency, but a Mrs. Coll MacDonald put up at the last election as a Liberal, whom the Duchess beat by 5,000 votes. The local Liberals were for a day or two undecided whether to oppose the Duchess or not, but have eventually decided to run Mrs. MacDonald again. The official Unionist's will put up a Perthshire farmer. So it will be a three-cornered fight of extraordinary interest, with the issue probably lying between the two women.

The Duchess of Atholl is of medium height, thin and wiry, with a pronouncedly aquiline nose and a turn for incisive speech. She has already issued a trenchant manifesto, denouncing "the dismemberment of the virile democracy of Czechoslovakia" which has placed Great Britain in a "gravely weakened strategic position." and the further danger if through their catspaw Franco, Germany and Italy get control of Spain. On the whole the Duchess's chances seem good. Her opinions are those of many people, the constituency has known her for 15 years; she is a conspicuous figure in the House; and with so much flabbiness among our public men there will be tremendous admiration for a woman who does not hesitate to express her feelings plainly and fight for them pugnaciously.

• • •

The Helpful Telephone

The telephone is bursting out in new enterprise. The "girl with the golden voice" who gives us the correct time when we dial TIM is by now a commonplace: by the way, it was rather hard on Miss Cain, the original Chrysostom, that the Post Office would not allow her claim to a royalty on this use of her voice. To this convenience now is to be added the "morning call," the function performed in humbler working-class circles by the "knocker-up," who goes round routing out those who have to be early at the mill. There is also to be the "engagement-reminder." The absent-minded husband, desperately afraid of forgetting his wife's birthday, the crowded businessman with a vital appointment that he must not forget, can put these matters in the care of the telephone and it will never forget to send him a reminder at the right moment.

These are conveniences indeed. The only snag I can see is that one may forget to ask the telephone to remind one of what one mustn't forget. Then there are storms, such as that last night which blew down 40 telephone wires in our village, our own included. But these are things which can't be helped.

What the Post Office should concentrate on is a telephone which will refuse to make a call when the callee is at dinner or lunch. It is extraordinary how bad-mannered the telephone has made us all. People who would apologize profoundly if they had to come to the front door and interrupt a neighbour at a meal, will call him away from table to the telephone without a word of excuse. Perhaps as subscribers to the telephone are going up by hundreds of thousands yearly, the Post Office will see to this.

• • •

The Magic of Toys

It is a mere truism that no one at any age can resist toys; is not the toy aspect of motor-cars, guns, aeroplanes, and the latest thing in cameras an important part of their attraction? Father and uncle playing with Willy's train, while Willy is stood in the corner for naughtily interfering, is a perfectly true type. And now the Christmas toy show is quite as delightful to grown-ups as to children, the more so that at least four-fifths of the toys are British-made, the German toymakers who once dominated our shops having been almost entirely beaten out by our own people.

Of course the mechanism of the age is strongly represented. Clockwork and electric trains are an unfailing attraction; these lead on the young mind to the model train clubs now numerous all over England, whose members take part in difficult problems of shunting in model goods yards and combining model express and suburban service. But searchlights and anti-aircraft guns are plentiful, with tanks and army lorries: alas for the pacifist teachings of yesteryear; we must be military-minded now.

Theatrical and cinema popularities supply several models. There are innumerable Shirley Temple dolls (but the increased liking for dolls of all sorts seems significant, as if Nature were fighting back desperately against declining birth-rates); Snow White and the Seven Dwarfs are conspicuous everywhere, as are Stanley Lupino and his Sally and a company of Lambeth Walkers. These come nearer to a child's real conception of a toy than any mechanical conception forever doing the same thing, in that they stir the child's imagination to weave its own stories about the beloved objects. And in this way nothing can equal the furry kittens, rabbits, ducks, dogs, bears, and, of course, dolls.

Considering the enormous masses of stuff written nowadays for and about children, it is curious how little of it really gets inside that strange thing, the child's mind. A girl friend said to me recently: "I remember when I was little, that I liked 'Christopher Robin' and things like that, quite well. But my feeling about Stevenson's 'A Child's Garden of Verse' was quite different. He was a child, thinking and writing as a child would." So of toys, grown-ups may play with them, but in designing them must remember what children want to play with.

• • •

Against Evil-Doers

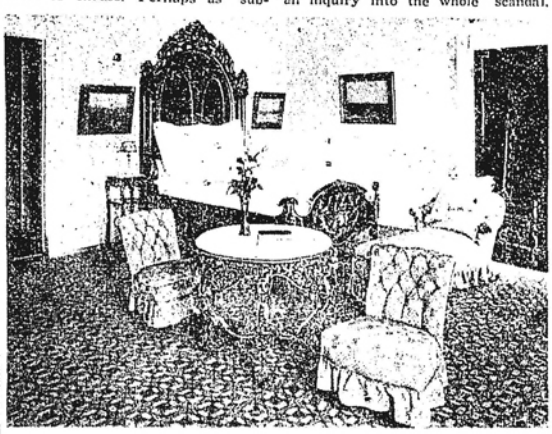
It is interesting to see that the London County Council is discussing how it may tighten up safeguards against the white slave traffic. Since, several years ago, the "cat" was introduced for white slavers, these gentry have found it less profitable to operate in England. A good deal of nonsense, too, is talked about their methods, as, for instance, that they slip up alongside girls in the street, jab a morphia needle into them and kidnap them while insensible—which is rubbish. On the other hand there are so-called theatrical agencies which send girls abroad ostensibly to theatrical jobs, actually to a disastrous fate.

It is these agencies over which the L.C.C. wants to get more control and it complains that the Government gives no help and should hold an inquiry into the whole scandal, since at present an agency, if refused a licence by the L. C. C., merely has to move into another county and carry on. For the moment the L.C.C. is raising from 16 to 18 the age below which a girl may not take employment abroad without the consent of her parents or guardians.

Side by side with this may be mentioned "the Yard's" decision to add another 50 women police to the 100 it already possesses. In fact the women have more than justified themselves. Three of them are reckoned among the smartest detectives in London. One of them recently succeeded in bringing off the arrest of a long-wanted confidence trick man. Another went along into a night-club of very bad repute and, single-handed, brought out a girl who was "running wild." It is said that the Yard wants its police girls to be good looking. Is this masculine frailty on the Commissioner's part or recognition of the fact that handsome does as handsome is, and that beauty and brains are much oftener allied than the moralists would have us believe?

• • •

Apropos of police matters an extraordinary case of a female Jekyll and Hyde came before the Marylebone police court this week. Mrs. May White is known in her village in Essex as the ideal wife and mother, clean, hardworking, capable, devoted to her three children, a model for all. In the West End she is known as an incorrigible pickpocket, with already five convictions against her. She has already been in prison and now goes there again, as no doubt she deserves to do. But may not these escapades in the West End be less a matter of vice than of sheer adventurousness, a longing for relief from the tedium of respectability in Essex?



For Queen Elizabeth at the White House

This bedroom, with its authentic "mid-Victorian" enchantment, will be occupied by Queen Elizabeth when she and King George stay with President and Mrs. Roosevelt at the White House next year. It has the immense historic interest of having been occupied by Abraham Lincoln when the White House was his home. The bed was specially made for him by a Springfield, Ill., firm and is nine feet long and six feet wide.

Learning To "Do Their Bit"

Members of the Women's Legion, looking very businesslike in their boiler suits, getting acquainted with one of the lorries at the Drill Hall, Mandel Street, W.C., where they assemble at night for practical instruction in the handling of the big machines.

Magic of the Eyes

Your Eyes May Not Be Large, But With Care They May Be Beautiful

Occasionally you should give yourself a good eye massage. This will reduce, if not entirely remove, the fine wrinkles that appear around the eyes. It is also very soothing and restful for tired or strained eyes. Naturally great care must be taken, and the skin must not be dragged, nor too much pressure applied.

First wash the eyes with an antiseptic solution of a small percentage of boracic acid dissolved in water. Apply this with a small pad of cottonwool and wipe the skin lightly around the eyes. Then with another pad of cottonwool remove any moisture and spread a little nourishing cream over the skin. Then, with the third finger of each hand (this finger exerts less pressure than any other one) stroke the eyelids with a gentle, rhythmic movement, always starting the movement at the nose and working outwards towards the corners of the eyes. This movement is very soothing, and will work the cream well into the skin.

Now you are ready for your next movement, which is a circular one, and which also calls for the use of your third finger. Place the tip of the finger at the corner of the eye near the nose and carry it around right under the eye, and then back over the lid. Repeat this movement several times, making sure that it is not jerky or hasty, and, as the finger reaches the inner side near the nose, a slight pressure can be exerted.

If the skin under the eye is crêpey, it can often be improved by carrying out small circular movements. Be careful to exert only light pressure, otherwise the skin will wrinkle. This massage is of the type which will help the tiny muscles to support the skin. Naturally, all massage is of little avail unless the skin is well nourished, therefore you must not forget to apply nourishing cream prior to any massage movement.

Modelling Your Eyebrows

After your massage the next point is to shape your eyebrows. To gain the prettiest and most suitable effect, carefully study your face.

For instance, the popular shape which is circular and well rounded is really only suitable for a longish face. When the eyebrows are set too near the eyes, not only should you pluck a few hairs from beneath the brows, but you should also train them so that they will grow upwards and away from the eye. Each night dip the fingers in a little oil, with the fingertip massage the brows upwards towards the temples. When the brows are too far away from the eyes, so that quite a large expanse of skin is showing, you should then train the eyebrows downwards.

Another point to remember, when shaping the brows, is that the bone formation must be followed as near as is possible. When the bone is low, make the eyebrow follow it, otherwise you will show a bulge and an expanse of shiny skin. If the bone is rather high, you can then shape the brows so that they will run just below it. When the forehead is flat and square, it is best not to attempt to curve the brows very much.

Judicious Shading

Eyes which are deep-set can be made to appear very beautiful by applying a very little rouge just below the eyebrow, whilst eyes which are set flat with the rest of the face can be made lovely by applying just a light trace of brown or blue shadow to the lids, according to the colours of the eyes.

Plucking the brows is not half as painful as it may sound. First wring out a towel in warm water, hold it up against the brow, and then when the pores are open you will find that it is neither very difficult nor very painful to remove the offending hairs. When the plucking is finished soak a tiny pad of cottonwool in calamine lotion and pat it over the skin. This will leave a light, powdery surface and take out any inflammation.

When the eyeashes or brows are scanty, you can make them much more luxuriant by applying a little coconut oil with a camelhair brush every night before going to bed, and in no time your eyelashes will grow stronger and darker.

Chestnuts for the Festive Table

Roast Chestnuts

In Southern Europe these are often finished in a coffee-roaster after about ten minutes' boiling. They require from ten to 15 minutes' roasting. Never omit to cut the rind of each nut slightly before it is cooked. Serve them very hot in a napkin and hand salt with them.

Boiled Chestnuts

Make a slight incision in the outer skin and throw them into plenty of boiling water with about a dessertspoon of salt to the half-gallon. Some chestnuts will require to be boiled for an hour and others little more than half the time. As soon as they are soft all through they should be wiped and served immediately in a napkin. As a vegetable they are excellent, particularly when served with game.

Devilled Chestnuts

Soak sufficient peeled chestnuts in Worcester sauce for two hours, then put them in a stewpan with butter and stir about until they are tender. Serve very on thin buttered toast.

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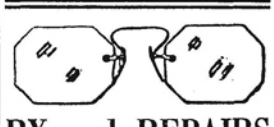

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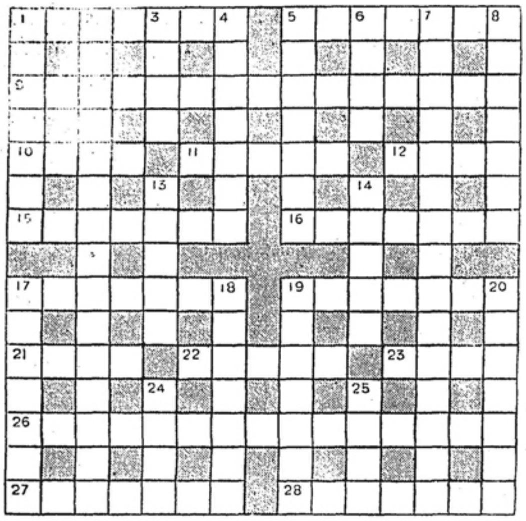
CROSS-WORD PUZZLES

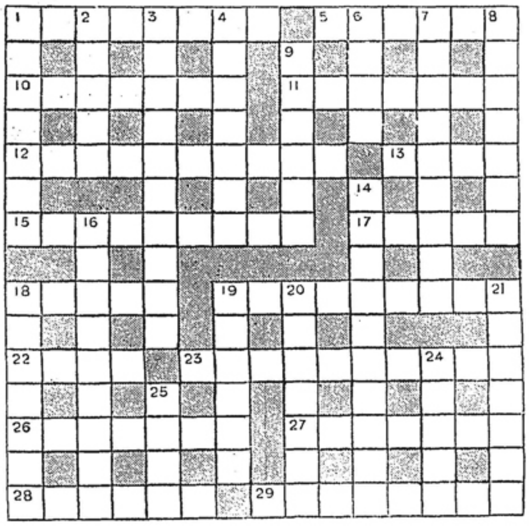


ACROSS

1 Straighten out the real aspect before insertion
5 Owing, perhaps, to a drop too much; in case it's fastened down
9 Such immunity from strife might prove costly (four words)
10 "Up the——mountain Down the rushy glen"
11 Drivel
12 This undisguised is distinguished from that which is its opposite
15 Send word back to Edward
16 What one does with a hand in friendship
17 The graduate came first to the T.T. and led to the finish
19 Great reformer of Tudor times
21 Uncommon opening in common use in Scotland
22 Attach
23 Not exactly the white feather but the owner shows it when he runs away!
26 For an example we have to constantly endeavour (two words)
27 How one looks for stars
28. Set cups (anag.)

DOWN

1 The country for pet dogs?
2 Convivially
3 "——, and only——, is the Forger and the Cheat," said Mr. Micawber
4 Gone to bed, being the greater part of it
5 The N.C.O. in a swoon!
6 Part of Europe familiar to seamen
7 Many a man of substance is doomed to disappointment on the face of it (two words)
8 Decks
13 Historic English house
14 You may prefer dates instead
17 These were acquired, no doubt, owing to an awkward rise in a 'bus
18 This might be described as French finish in halving a document
19 Members of a first night audience
20 Sounded and then beaten, perhaps
24 Alternate letters in "He sits on a gate"
25 Pines for a forest in France



ACROSS

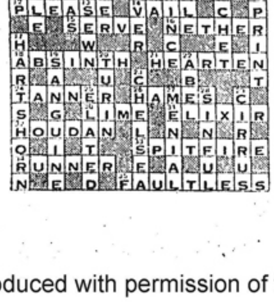
1 This may please where only man is vile
5 Quite a game to join two banks
10 To return
11 The saint seems to claim to be a Scottish dish
12 I place beds (anag.)
13 A mountain of old bones
15 They make great effort in the kitchen
17 Hamlet speaks of "the —— of something after death"
18 The pretence sounds feeble
19 Parliament is jealous of any interference with this
22 Synonym for the sea
23 Is this beauty forthcoming?
26 Idling about
27 His work is calculated to secure average results
28 One of 15 of puzzling kind
29 If it lost a letter this plant would be prominently billed (hyphen)

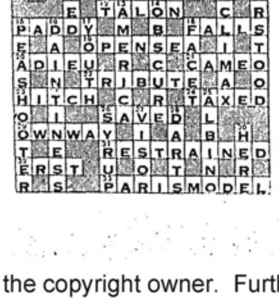
DOWN

1 One of the earthworks
2 The ship of the desert calls here
3 Appease and make favourable
4 Mere cat to burn
6 Dress of state
7 It may be seen at intervals from pit or stalls (hyphen)
8 Stone of value
9 Italian port
14 Man is tired (anag.)
16 Bit of Western Europe that has often changed hands
18 He may play first or second
19 Reject on examination
20 Not quite accurate
21 Tried—by way of composition?
24 Make proud
25 Factory fight

The solutions will be published next week

SOLUTION OF LAST WEEK'S PUZZLES





SHIPPING

Arrivals on Dec. 27

Name	*From*	*Consignees*
Dragao	Wenchow	P.S.S.N.
Fooksing	Tungchow	Wha Ying
Kitano M.	Moji	N.Y.K.
Chungking	Wenchow	B.&S.
Ethel Moller	Tientsin	T.C.C.
Utsire	Foochow	T.C.C.
Kunishima M.	Japan	N.Y.K.
Ave-Maria	Tungchow	Tung Lee
Haikong	Hsinkong	Keh Lee
Pronto	C'wangtao	H. Changan
Yatshing	Tientsin	Jardine
Nagasaki M.	Japan	N.Y.K.
Nantung M.	Nantung	N.K.K.
Emp. of Japan	Japan	C.P.R.
Santa Lucia	Haimen	Lien Kee
Dollar	River Ports	Parsons
Liesel	Hupukow	Chin Dah
Tejo	T'lungkong	I.C.R.N.
Tungwo	Tungchow	Jardine

Departures on Dec. 27

Name	*Flag*	*Despatcher*
Liesel	Ger.	Chin Dah
Wusueh	Br.	B.&S.
Suiwo	Br.	Jardine
C'stine Moller	Br.	Mollers'
Promise	Nor.	Tai Ping
Luise	Ger.	Keh Lee
Shinai	Br.	G.L. Shaw
Liwo	Br.	Jardine
Faro	Port.	P.N.&T.
Carthage	Br.	Mackenzie
Vigo	Port.	Luxe Shp.
Pelikan	Ger.	Reuter B.
Chingning M.	Jap.	N.K.K.
Talien	Jap.	Wen Woo
Patti	Ital.	Chang Yuen
Tsokwang	Br.	A.P.C.
Jean Laborde	Fr.	M.M.
Don Joao	Port.	Tung Lee
Terukuni M.	Jap.	N.Y.K.
Bossievain	Net.	J.C.J.L.
Hukuken M.	Jap.	O.S.K.
Nanking	Swe.	Ekman
Shengking	Br.	B.&S.
S. de Brazza	Fr.	—
A. Charner	Fr.	—
Kaiapoi	Ger.	Ningpo S.S.
H.M.S. Sandwich	Br.	—
Kaiping	Br.	K.M.A.

Men-of-War in Port

Name	*Flag*	*Type*	*Berthed*
Bee	Br.	Gbt.	Y.P.D.W.
Cockchafer	Br.	Gbt.	L.P. 23 B.
Mantis	Br.	Gbt.	C.N.C.B. 1/2
Peterel	Br.	Gbt.	B.N.B.
Scorpion	Br.	Gbt.	C.N.B. 1/2
Suffolk	Br.	Cr.	B.N.B.
Augusta	Am.	Cr.	B.N.B.
Guam	Am.	Gbt.	U.S.N.B.
Isabel	Am.	Slp.	U.S.N.B.
Luzon	Am.	Gbt.	Y.P.D.W.
Monocacy	Am.	Gbt.	U.S.N.B.
D. de Lagree	Fr.	Gbt.	F.N.B.
Primauguet	Fr.	Cr.	F.N.B.
Tahure	Fr.	Gbt.	C.N.W.P.
B. Colleoni	Itl.	Cr.	J.N.B.
Lepanto	Itl.	Gbt.	J.N.B.
Asahi	Jap.	Rps.	8/9 B.
Hakuai M.	Jap.	Tr.	20/21 B.
Hakusa	Jap.	Tr.	4/5 B.
Hino M.	Jap.	Tr.	C.M.L.W.
Idzumo	Jap.	Cr.	N.Y.K.M.W.
Kairyu M.	Jap.	Tr.	O.S.K.Y.W.
Okinoyama M.	Jap.	Dest.	O.S.K.Y.W.
Temayu M. 3	Jap.	Tr.	7/8 B.
Torino	Jap.	Tr.	N.Y.K.P.W.

In Harbour or Dock

Name	*Flag*	*Berthed*
Adm. Jellicoe	Br.	H.Y.
Akita M.	Jap.	N.Y.K.M.W.
Asiatica	Br.	H.Y.
Annette Moller	Br.	Buoys 30-30a
Ano Vathy	—	Buoys 17a-18
B. Ardrossan	Br.	Buoys 33-34
Burang	—	A.P.C.L.W.
Carmen Moller	Br.	Y.P.D.W.
Caroline Moller	Br.	M.W.
Changteh	Br.	C.N.C.W.
Chenyuan	Jap.	W.P.
Chien She	—	Buoys 2-3
Cross	—	A.P.C.L.W.
Camilla	Br.	H.Y.
Daikokusan M.	Jap.	Buoys 24-25
Daishan M.	Jap.	N.Y.K.W.
Diana Moller	Br.	T.B.B. 7-8
Erica Moller	Br.	M.F.
Ernebank	Br.	Buoys 15-16
F. Consolini	Ital.	K.L.Y.W.
Fumi Maru	Jap.	H.S.W.
Fukwang	Br.	Y.P.D.W.
Frosty Moller	Br.	Buoys 30-30a
Fuhwo	Br.	I.D.W.
G. Padula	Ital.	K.L.Y. 1-2
Hangching	—	H.Y.
Heinsen	Br.	I.D.W.
Helen Moller	Br.	Buoys 13-14
Hokwang	Br.	A.P.C.L.W.
Hoten M.	Jap.	W.W.
Hsin Yangtsze	Br.	Y.P.D.W.
Hsin Wayfoong	Br.	H.Y.
Ikwang	Br.	A.P.C.L.W.
Iloilo	—	Buoys 30-30a
Iyang M.	Jap.	Y.P.W.
Jessie Moller	Br.	Buoys 30-30a
Katori M.	Jap.	W.S.W.
Kaysieg	—	I.D.W.
Kausin	—	Y.P.D.
Kintang	Br.	C.D.W.
Kiangnan	Ger.	C.D.W.
Kondor	Ger.	K.L.Y.W.
Kungwo	Br.	I.D.W.
Louise Moller	Br.	I.D.W.
Luna	Ital.	P.P.
Marie Moller	Br.	Buoys 30-30a
Marion Moller	Br.	I.D.W.
M. Francisca	Port.	K.L.Y.W.
Mightylight	Br.	M.W.
Minnie Moller	Br.	Y.P.D.W.
Mohlenhof	Ger.	K.L.Y.W.
Momo M.	Jap.	H.Y.
Needwood	Pan.	H.S.W.
Norah Moller	Br.	Y.P.D.W.
Norse Trader	Pan.	H.S.W.
Osumi M.	Jap.	—
Pauline Moller	Br.	M.W.
Pluto	Ital.	M.B.K.U.W.
Ragusa	—	P.P.
Saucy	Br.	T.B.B. 6-7
Shinyu	Br.	Buoys 27-28
Shukwang	Br.	A.P.C.L.W.
Siangnan	Br.	H.Y.
Smokylight	Br.	H.S.W.
Snappylight	Br.	C.D.W.
Store Nordiske	Dan.	Buoys 19-20
St. Dominic	Fr.	T.B.B. 5-6
St. Sampson	Fr.	T.B.B. 5-6
Suishan	Br.	C.D.W.
Suiting	—	Y.P.D.W.
Sygna	Nor.	Buoys 32-33
Tatung	Br.	Buoys 29-30
Vilareal	Port.	Buoys 17a-18
Wuhu	Br.	Buoys 29-30
Yamagata M.	Jap.	N.Y.K.M.W.

SICCAWEI METEOROLOGICAL REPORT

Day of month	Barometer 9 A.M.	Barometer Att'd Therm	Wind Direction a.m.	Wind (1-12)	Hygrometer 9 a.m. Dry	Hygrometer 9 a.m. Wet	Thermometer in Shade Max.	Thermometer in Shade Min.	Weather Conditions
Dec. 16	30.22	68.4	E S E	2	55.8	52.5	60.3	49.3	B. C.
" 17	30.26	69.3	W	2	50.5	49.1	60.3	47.1	O.
" 18	30.21	69.4	N E	2	55.8	53.4	60.5	49.8	O.
" 19	30.31	67.5	N N E	3	45.6	45.0	—	—	R.
" 20	30.32	67.3	N	2	45.6	44.2	50.0	43.5	O.
" 21	30.18	67.1	N W	1	43.7	43.0	48.0	42.3	R.
" 22	30.25	65.7	W N W	1	42.3	41.0	55.0	34.3	R. O.

EXPLANATION

B—blue sky F—fog H—hail M—misty (hazy) R—rain T—thunder
C—clouds D—drizzle L—lightning O—overcast (dull) S—snow Z—calm

SHANGHAI THERMOMETER READINGS FOR THE WEEK

In the open air in a shaded situation in the Foreign Settlement

Date	Minimum Temperature 1938	Minimum Temperature 1937	Maximum Temperature 1938	Maximum Temperature 1937	Rainfall 1938	Rainfall 1937
Dec. 16	49.5F.	41.0F.	60.0F.	63.0F.	0.04 in.	Nil
" 17	46.5	50.0	56.0	67.0	Trace	Nil
" 18	48.0	38.0	56.0	64.0	0.10	Trace
" 19	43.5	30.0	51.0	45.0	1.11	Nil
" 20	42.5	36.5	50.0	46.0	0.15	Nil
" 21	41.5	36.0	49.0	45.0	0.65	Nil
" 22	35.5	35.0	51.5	51.0	Trace	Nil

VESSELS DUE AT FUTURE DATES

Ships are shown under the port at which last reported. The first date against a ship's name is the date of departure (or when the ship has not left the probable date of departure) from that port. The second date shows when the vessel is due at Shanghai. Vessels sailing from all ports of the world are given

EUROPE AND STRAITS

From OSLO

Triton	19/10	1/1
Tarn	19/11	12/1
Talabot	17/12	12/2

From GDYNIA

Titan	15/11	7/1
Eumaeus	13/12	3/2

From GLASGOW

Sarpedon	19/11	4/1
Deucalion	3/12	19/1
Patroclus	17/12	1/2

From LIVERPOOL

Menelaus	19/11	3/1
Sarpedon	26/11	6/1
Lycaon	3/12	15/1
Deucalion	10/12	19/1
Perseus	17/12	28/1
Patroclus	24/12	1/2

From LONDON

Behar	26/11	5/1
Rajputana	2/12	9/1
Soudan	10/12	23/1
Ranchi	16/12	23/1
Yasukuni M.	23/12	27/1

From HAMBURG

Potsdam	26/11	30/12
Triton	13/11	1/1
Lippe	12/11	4/1
Panama	15/11	7/1

From HAMBURG

Zuiderkerk	21/11	14/1
Elbe	10/12	16/1
Gneisenau	24/12	27/1

From ROTTERDAM

Preussen	25/11	9/1
Zuiderkerk	11/11	14/1
Leverkusen	8/12	20/1
Tjikembang	29/12	11/2
Talabot	27/12	12/2

From ANTWERP

Zuiderkerk	21/11	14/1

From LIVORNO

Leverkusen	19/12	20/1

From GIBRALTAR

Yatsukuni M.	26/12	27/1

From MARSEILLES

Athos II	9/12	6/1
F. Roussel	23/12	20/1

From GENOA

Zuiderkerk	11/12	14/1
Victoria	22/12	15/1

From TRIESTE

Himalaya	20/11	9/1

From MALTA

Ranchi	26/12	23/1

From ADEN

Soudan	26/12	23/1

From COLOMBO

Potsdam	19/12	30/12
Athos II	24/12	6/1
Himalaya	31/12	9/1
Preussen	30/12	9/1
Rajputana	26/12	9/1
Tarn	24/12	12/1

From KARACHI

Sumatra	15/12	11/1

From PENANG

Eumaeus	24/12	6/1
Lippe	20/12	7/1

From SINGAPORE

C. Rosso	25/12	31/12
Triton	25/12	1/1
Menelaus	24/12	4/1
Behar	27/12	5/1
Sarpedon	28/12	6/1
Titan	27/12	7/1

From SOERABAIA

Tjisalak	19/12	5/1
Tjisadane	23/12	7/1

From BATAVIA

Tjisalak	23/12	5/1

AMERICA AND JAPAN

From NEW YORK

Chi. Prince	—	28/12
Silveryew	23/11	12/1
Gert. Maersk	23/11	12/1
C. Florence	19/11	15/1
Eskbank	7/12	24/1
Grete Maersk	10/12	25/1
C. Bedford	17/12	14/2
Stentor	27/12	16/2

From VANCOUVER

Oakbank	—	10/1
Talthybius	27/12	21/1

From SEATTLE

Talthybius	17/12	21/1

From SAN FRANCISCO

Silveryew	10/12	8/1

From LOS ANGELES

Bidevind	9/11	30/12

From YOKOHAMA

Chitral	27/12	2/1

From YOKOHAMA

Aeneas	27/12	6/1

From KOBE

Shanghai M.	28/12	30/12
Taiyo M.	31/12	2/1

From MIIKE

Serooskerk	2/1	5/1

From NAGASAKI

Nagasaki M.	31/12	1/1

AFRICA AND AUSTRALIA

From LOUR. MARQUES

Nolisement	—	5/1
Tegelberg	8/12	22/1
Harmattan	—	7/2

From TAMATAVE

Tegelberg	27/12	22/1

From MELBOURNE

Nellore	3/12	9/1

From MELBOURNE

Tanda	4/1	9/2

From RABAUL

Nellore	25/12	9/1

Sections of the Harbour

1 North Chinese Bund to Kinleeyuen.
2 Kinleeyuen Wharf to Signal Station.
3 Signal Station to Custom House.
4 Customs Shed to Peking Road Jetty.
5 Peking Road Jetty to Old Dock.
6 Old Dock to S. & H. Wharf Flagstaff.
7 S. & H. Flagstaff to Old Ningpo.
8 Old Ningpo to Chinwangtao Jetty.
9 Chingwangtao to Waterworks Intake.
10 Waterworks to Yanking Creek.
11 Yangking to Cosmopolitan Dock.
LOWER SECTION Cosmopolitan Dock to Woosung.

Wharves and Docks

S=Shanghai side. P=Pootung side.

APCGIW	A.P.C. Gough Is. Wharf	P LS.
APCLW	A.P.C. Lower Wharf	P 11
APCUW	A.P.C. Upper Wharf	P 11
BJ	Boyd's Jetty	P 6
CMCW	China Merchants' Central	S 5
CMEW	China Merchants' Eastern	P 10
CMLW	China Merchants' Lower	S 7
CNCBs	China Nav. Co. Buoys	S 2
CNCW	China Nav. Co. Wharf	S 2
CNPW	C.N. Co. Pootung Wharf	S 2
COCW	China Oil Co. Wharf	P LS.
CosD	Cosmopolitan Dock	P 11
CosDW	Cosmo. Dock Wharf	P 11
GJ	Garden Jetty	S [illegible]
HSW	Hoong Shin Wharf Co.	P
HtsW	Hunt's Wharf	S 6
HWYK	Holt's Yang King	P 10
IntD	International Dock	P 11
IntDW	Int. Dock Wharf	P 11
JNJ	Japanese Naval Jetty	P 8
KLYBs	Kinleeyuen Buoys	S 1 & 2
KLYW	Kinleeyuen Wharf	S 1 & 2
KMAW	Kailan Wharf	P 10
KPW	Kaiyosha Pootung	P 10
KW	Kwanghua Oil Co.	P LS.
MBKUW	M.B.K. Upper Wharf	P 8
MBKW	M.B.K. Wharf	P 11
McKW	Mackenzie's Wharf	P 2
NKKW	Nisshin Kisen Whf.	P US
NSCW	Ningshao Co. Wharf	S 1
NYKMW	N.Y.K. Mail Wharf	S 5
NYKPW	N.Y.K. Pootung Wharf	P 10
OD	Old Dock	S 6
ODW	Old Dock Wharf	S 6
ONW	Old Ningpo Wharf	S 7 & 8
OSKYW	O.S.K. Yangtszepoo	S 8
OW	Outside Woosung	
PWE	Pootung Wharf East, Ewo	P 9
PWW	Pootung Wharf West, Ewo	P 9
QA	Quarantine Anchorage	
SHW	S'hai & H'kow Whf.	S 6 & 7
SOCW	Standard Oil Wharf	P LS.
TDW	Tai Dong Wharf	S 8
VOCW	Vacuum Oil Co. Wharf	P LS.
WIA	Woosung Inner Anchorage	
WSW	Wayside Wharf	S 8
WTW	Watung Wharf	S 1
WW	Whangpoo Wharf	S 9
YPD	Yangtszepoo Dock	S 9
YPDW	Yangtszepoo Dock Whf.	S 9
YW	Yangtszepoo Wharf	P 10

PASSENGER LISTS

INWARD

M.M. mv. Jean Laborde

From Marseilles and way ports.—Dec. 26.—Mr. P. Millet, Mrs. P. Millet, Mr. L. T. Barnard, Mr J. P. Schnuder, Mr. Cervez, Captain A. Robin, Mr. and Mrs A. Gottineo, Mr. R. Haertely, Mr. and Mrs. Bouchier, Miss L. Melzer, Mr. and Mrs. K. Seanolin, Mr. G. Guery and Messrs. E. H. Szanto, H. Hobden, H. A. Resnetov, M. A. Konstantinov, A. Leinung, S. Lubimov, M. Baumgarten, R. Sterz, C. Steenhauwer, Th. Hohn. E Nothmain.

C.P. ss. Empress of Japan

From Vanconver and way ports.—Dec. 27.—Mr. O. Barrant, Mr. L. Broslow, Mr. F. W. Lilley, Mrs. C. Stubbe, Mr. W. F. and Mrs. Alexander, Mr. P. Broadmead, Miss Lucy Chow, Mrs. M. L. Davey, Mrs. E. O. Drake, Mr. M. C. and Mrs. Guss, Miss M. Guss, Mr. V. St. J. Killery, Mr. J. S. and Mrs. King, Mstr. P. King, Mr O. and Mrs. Klein, Miss R. and Mstr K. O. Klein, Mr. M. E. and Mrs. McIntosh, Mr. W. and Mrs. Morris, Mr. N Perlmann, Dr. F. and Mrs. Reiss, Dr. H. Rottenstein, Mrs. D. S. Williams, Mr. A. R. D. and Mrs. Wilson, Mstr. R. T. Wilson, Mr. W. W. Sigler, Mr. L. K. Dickey, Mr. J. C. and Mrs. Andrade, Mr. J. Bermann, Mr. H. and Mrs. Boysen, Mr. R. and Mrs. Burman, Mr. C. C. Chapman, Mrs. C. A. Davies, Mr. R. and Mrs. Douteau, Mr. J. C. and Mrs. Fullam, Miss P. Fullam, Mr. R. R. Iry, Mr. S. Isaac, Capt. C. H. N. and Mrs. James, Mr. Geo. and Mrs. Kramer, Mstr. R. Kramer, Mr. E. T. and Mrs. Leal, Mrs. M. Levy, Dr. I. Lissner, Mr. R. M. Lury, Mrs. C. C. Neuson, Mr. S. Schwartz, Mr. P. R. C. Wren, Mr. H. Baladi, Dr. A. Barnstein, Mr. A. and Mrs. Ennenberg, Mr. J. and Mrs. Graciani, Dr. W. Homberg, Mr. P. Joeres, Mr. I. J. and Mrs. Maratchi, Mr. H. G. Marchant, Mr. G. Pictiotte, Mr. N. Shalom, Mr. M. and Mrs. Shaye, Mr. I. Singh, Mr. L. B. and Mrs. Stiles, Mr. C. and Mrs. Wallace, Mr. M. Yousef, Mr. M. and Mrs. Zeller, Mrs. E. A. and Mstr. B. Richards.

OUTWARD

M.M. mv. Marechal Joffre

For Marseilles and way ports.—Dec. 22.—Captain and Mrs. De Goer de Harvé and child, Mr. Nabat, Mrs. L. Le Roch and child, Mrs. M. F. Favreaux, Mr. and Mrs. H. Y. Irwine, Dr. and Mrs. H. C. Vassiliadis, Mr. M. Levitt, Miss S. Levitt, Mrs. Ch. D. Blomer, Mrs. C. H. Crocker, Miss Sadie M. Sverts, Mr. J. S. W. Mueller, Mr. Li Hai Ping, Mr. H. Tsai, Mr. Y. S. Kong, Mrs. E. R. Lynch, Miss A. S. M. Alexander, Mr. Y. F. Chen, Mr. J. Alkow.

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